

**Earnings Results for the Fiscal Year
Ended March 31, 2017**

Investor Briefing

May 12, 2017

SoftBank Group Corp.



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Accounting

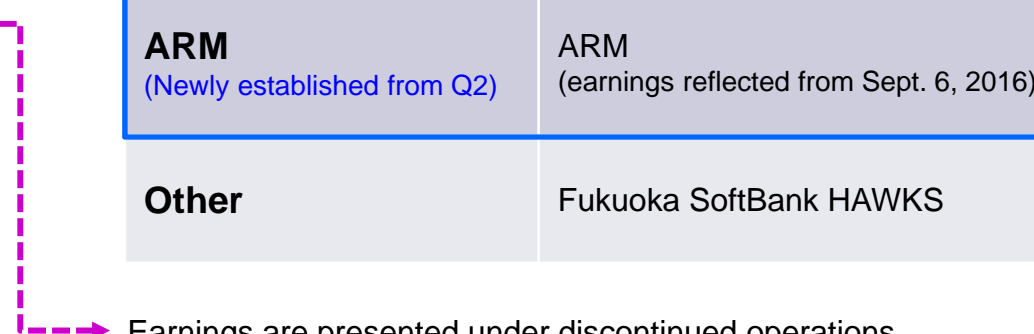
Segments and Core Companies

<FY15>

Reportable segments	Core companies
Domestic Telecommunications	SoftBank Wireless City Planning
Sprint	Sprint
Yahoo Japan	Yahoo Japan ASKUL (consolidated from Aug. 2015)
Distribution	Brightstar SoftBank Commerce & Service
Other	Supercell Fukuoka SoftBank HAWKS

<FY16>

Reportable segments	Core companies
Domestic Telecommunications	SoftBank Wireless City Planning
Sprint	Sprint
Yahoo Japan	Yahoo Japan ASKUL
Distribution	Brightstar SoftBank Commerce & Service
ARM (Newly established from Q2)	ARM (earnings reflected from Sept. 6, 2016)
Other	Fukuoka SoftBank HAWKS



Earnings are presented under discontinued operations. FY15 earnings have been revised retrospectively.

Consolidated P/L Summary (IFRSs)

<JPY bn>

P/L item	FY15	FY16	Change	Main breakdown	
Continuing operations					
Net sales	8,881.8	8,901.0	+19.2	+50.0	Increase in net sales (for customers) of Domestic Telecommunications segment Due to increases in product and other sales and telecom service revenue
				-229.4	Decrease in net sales (for customers) of Sprint segment Mainly due to the yen's appreciation; U.S. dollar-based net sales increased (IFRSs: FY15: USD 32.2bn, FY16: USD 33.3bn)
				+198.7	Increase in net sales (for customers) of Yahoo Japan segment Due to consolidation of ASKUL in August 2015
				-117.8	Decrease in net sales (for customers) of Distribution segment. U.S. dollar-based net sales decrease at Brightstar (excluding C&S)
				+112.9	Newly established ARM segment (net sales for customers)
Operating income	908.9	1,026.0	+117.1	+31.2	Increase in Domestic Telecommunications segment
				+124.9	Increase in Sprint segment Increase in U.S. dollar-based operating income (IFRSs: FY15: USD 0.5bn, FY16: USD 1.7bn)
				-33.0	Decrease in Yahoo Japan segment Due to one-time gain related to the consolidation of ASKUL in FY15 (59.4), loss on disaster at ASKUL in FY16 (-13.0)
				-8.8	Decrease in Distribution segment: impairment loss on goodwill of Brightstar (-30.3)
				+12.9	Newly established ARM segment
Finance cost	-440.7	-467.3	-26.6	-30.2	SBG: due to increase in interest expense
Income on equity method investments	375.4	321.6	-53.8	-50.5	Decrease in income on equity method investments related to Alibaba (see page 6) Mainly due to recording one-time gain related to the consolidation of Alibaba Health Information Technology Limited in FY15
Gain on sales of equity method associates	12.4	238.1	+225.7	+234.4	Reflected the partial sale of Alibaba shares to Alibaba, two Singaporean sovereign wealth funds and Alibaba Partnership
Derivative gain (loss)	12.8	-252.8	-265.6	-232.7	Loss on valuation of derivatives on the collar transaction relating to the monetization of Alibaba shares (see page 9)
Gain and loss from financial instruments at FVTPL	114.4	-160.4	-274.8	See page 11 regarding main gains and losses from financial instruments at FVTPL	
Other non-operating income (loss)	-64.0	7.4	+71.4	+62.6	Dilution gain from changes in equity interest due to a private placement of new shares by Alibaba
				+94.8	Mainly gain from settlement and translation of foreign currency-denominated borrowings from a foreign subsidiary and foreign currency-denominated deposits (53.3) (FY15: foreign exchange gain and loss -41.4)
				-79.3	Record loss relating to loss of control as result of APAC allocating shares to third party and becoming equity method associate
				-42.5	Impairment loss on assets classified as held for sale Recorded loss in relation to the difference between the value of GungHo shares based on the tender offer price and their carrying amount on a consolidated basis
Income before income tax	919.2	712.5	-206.7		
Income taxes	-422.7	207.1	+629.8	+562.0	Reversed deferred tax liabilities and recognized deferred tax assets relating to partial monetization of Alibaba shares
Net income from continuing operations	496.5	919.6	+423.1		
Discontinued operations					
Net income from discontinued operations	61.8	554.8	+493.0	+526.6	Recorded after-tax gain on sale of Supercell shares
Net income (net income attributable to owners of the parent)	474.2	1,426.3	+952.1		

SBG: SoftBank Group Corp., C&S: SoftBank Commerce & Service Corp, APAC: SOFTBANK GROUP CAPITAL APAC PTE. LTD.(currently Foxconn Ventures Pte. Ltd.).

*Average exchange rate for the quarter (USD 1): FY15/Q1: JPY 121.34, FY15/Q2: JPY 121.91, FY15/Q3: JPY121.07, FY15/Q4: JPY116.95 FY16/Q1: JPY 109.07, FY16/Q2: JPY 102.91, FY16/Q3: JPY 108.72, FY16/Q4: JPY 113.76

(Reference) Income on Equity Method Investments Related to Alibaba

	Alibaba			SoftBank Group				
	US-GAAP	IFRSs						
					(CNY mil)		(JPY bn)	
	Net income	Reconciliation to IFRSs	Net income	Ownership	Income and loss on equity method investments	Exchange rate	Income on equity method investments	
FY15/ Q1	2,893 (Jan. – Mar.)	7,177 ^(*1)	10,070	Approx. 33%	3,277	JPY 19.56 / CNY	64.1	
FY15/ Q2	30,843 (Apr. – June)	-19,993 ^(*2)	10,850	Approx. 32%	3,516	JPY 19.36 / CNY	68.1	
	18,602 ^(*3) (July)	-	18,602	Approx. 32%	5,989	JPY 19.89 / CNY	119.1	
FY15/ Q3	4,152 ^(*3) (July – Sept.)	4,428 ^(*4)	8,580	Approx. 32%	2,763	JPY 18.86 / CNY	52.1	
FY15/ Q4	12,498 (Oct. – Dec.)	753	13,251	Approx. 33%	4,330	JPY 17.84 / CNY	77.3	
Total	68,988	-7,635	61,353	-	19,875	-	380.7	
FY16/ Q1	5,365 (Jan. – Mar.)	1,434	6,799	Approx. 33%	2,216	JPY 16.64 / CNY	36.9	
FY16/ Q2	7,550 (Apr. – June)	6,748 ^(*5)	14,298	Approx. 33% (30.70% as of June 30, 2016)	4,663	JPY 15.40 / CNY	71.8	
FY16/ Q3	7,623 (July – Sept.)	13,193 ^(*6)	20,816	Approx. 30%	6,345	JPY 15.91 / CNY	100.9	
FY16/ Q4	17,855 (Oct. – Dec.)	6,277	24,121	Approx. 30%	7,302	JPY 16.51 / CNY	102.6	
Total	38,393	27,652	66,045	-	20,525		330.2	

*1 The changes in fair value of financial assets at FVTPL (CNY +4,982mil).

*2 Mainly a reversal of revaluation gain of Alibaba Pictures (CNY -24,734mil) and the changes in fair value of financial assets at FVTPL (CNY +2,674mil).

*3 One time gain occurred in July 2015 due to consolidation of Alibaba Health Information Technology Limited is recorded in SoftBank Group's FY15/Q2.

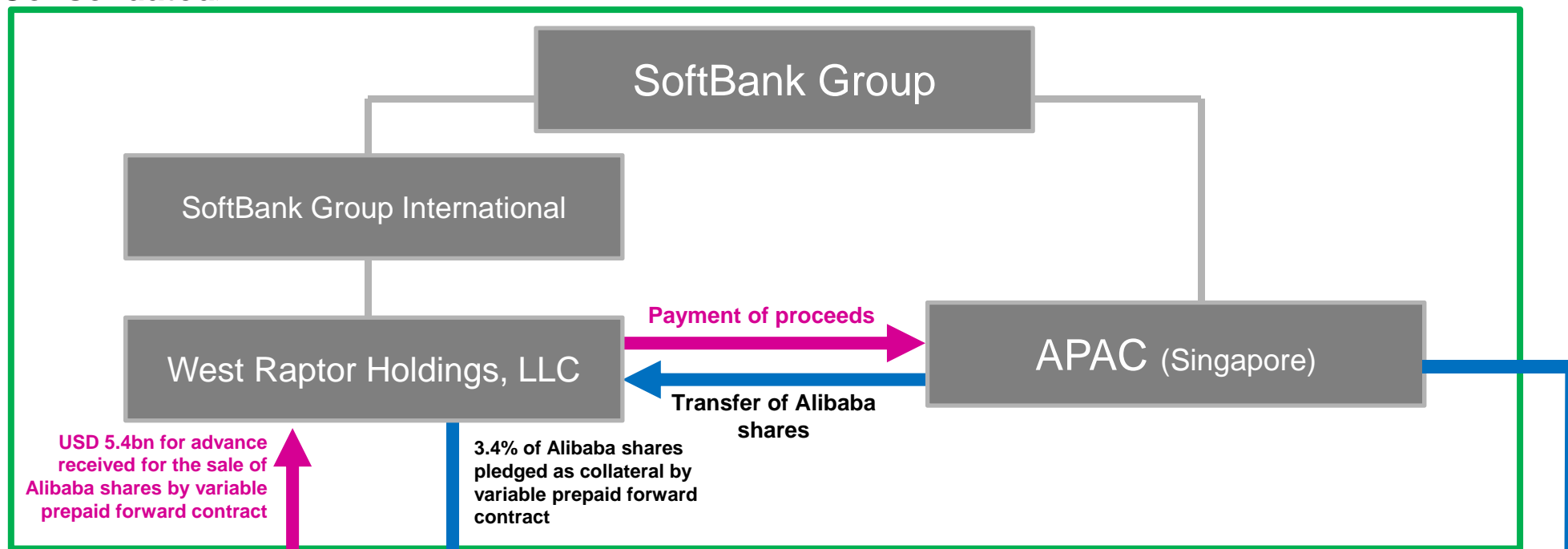
*4 The changes in the fair value of financial assets at FVTPL (CNY +3,360mil).

*5 The changes in fair value of financial assets at FVTPL (CNY +4,308mil).

*6 The changes in fair value of financial assets at FVTPL (CNY +12,174mil).

(Reference) Sale of a Portion of Alibaba Shares and Variable Prepaid Forward Contract

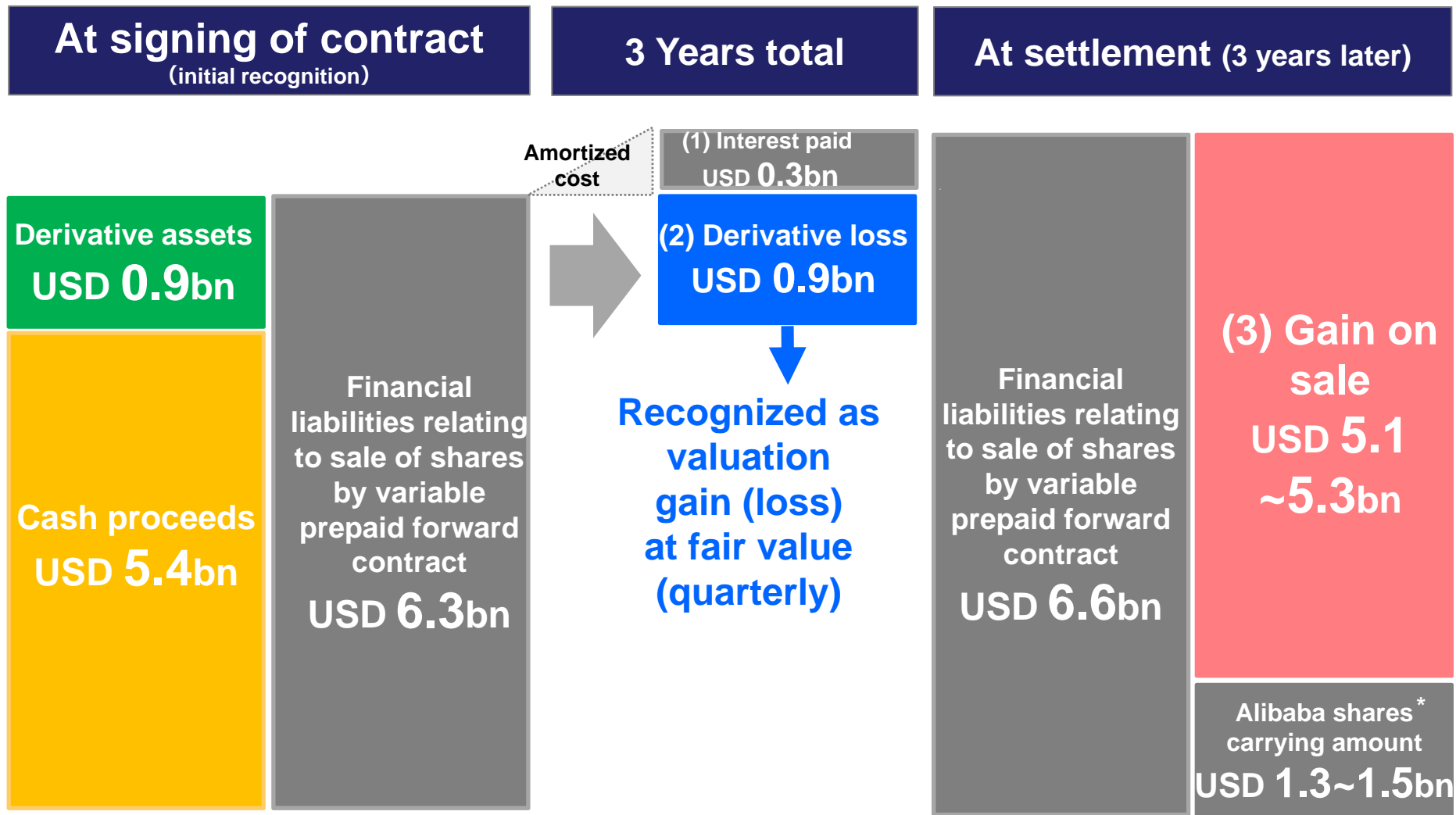
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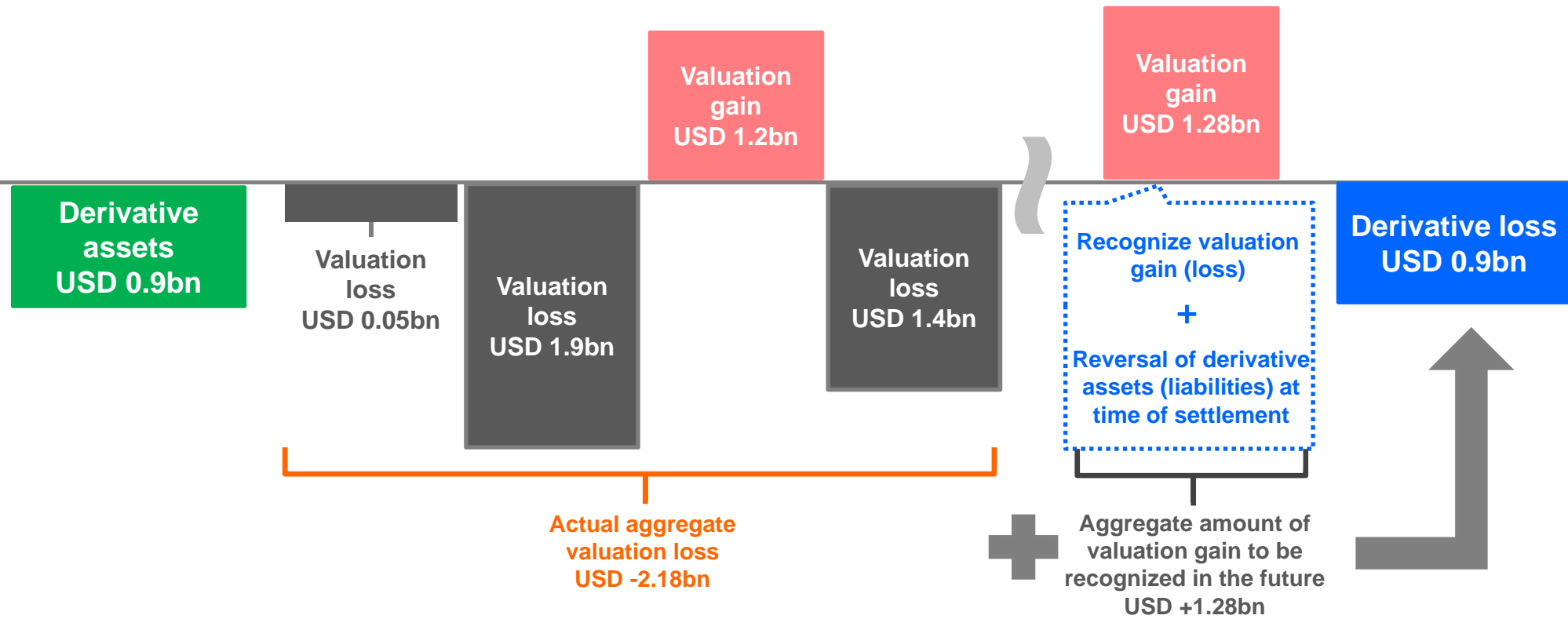
(Reference) Variable Prepaid Forward Contract for Alibaba Shares - 1



*The number of Alibaba shares to be used for settlement can fluctuate in a range of 73-86 million shares, according to the share price of Alibaba shares 3 years later. Carrying amount and gain on sale of Alibaba shares is estimated based on the carrying amount of Alibaba shares on consolidated basis as of March 31, 2017.

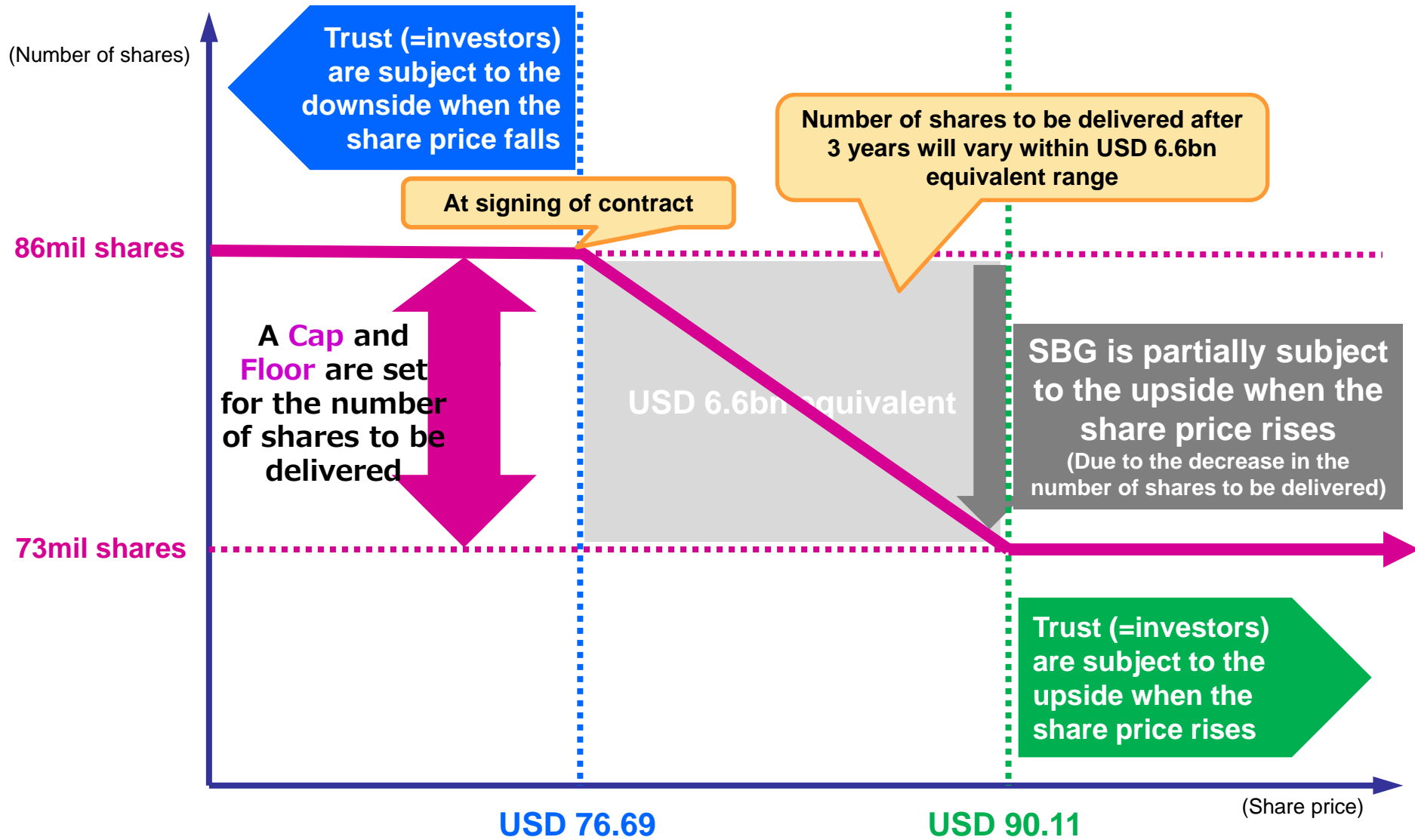
(Reference) Variable Prepaid Forward Contract for Alibaba Shares - 2

At signing of contract	Valuation gain (loss) on derivatives over 3 years					3 Years total
June 1, 2016 share price USD 76.69	Q1 share price USD 79.53	Q2 share price USD 105.79	Q3 share price USD 87.81	Q4 share price USD 108.01	Aggregate till time of settlement	



*Tax effect not included in the amount.

(Reference) Collar Transaction Embedded in Variable Prepaid Forward Contract



(Reference) Gain or Loss at Measurement of Fair Value of Investments by SBG and SBGC
(other than subsidiaries or equity method)

(1) Financial assets at FVTPL (Fair Value Through Profit or Loss)

The fair values are measured at the end of each quarter, with changes to be recognized as net income or loss (before recognizing tax effects).

<JPY bn>	FY16Q1	FY16Q2	FY16Q3	FY16Q4	Total
Gain and loss from financial instruments at FVTPL	-30.5	-20.9	20.3	-116.5	-147.6

Main companies:
Jasper Infotech (*Snapdeal*), ANI Technologies (*Ola*),
and Grab (*Grab Taxi*).

Gain and loss from financial instruments at FVTPL	JPY -147.6bn
Deferred tax expenses*	JPY 16.7bn
Impact on net income	JPY -130.9bn

*Includes impact of changes in applicable tax rate.

(2) Financial assets at FVTOCI (Fair Value Through Other Comprehensive Income)

The fair values are measured at the end of each quarter, with changes to be recognized as other comprehensive income (before recognizing tax effects).

<JPY bn>	FY16Q1	FY16Q2	FY16Q3	FY16Q4	Total
Other comprehensive income	19.2	-5.9	17.7	-18.2	12.8

Main companies:
Xiaoju Kuaizhi (*Didi Chuxing*) and
Forward Ventures (*Coupang*).

Other comprehensive income (before tax)	JPY 12.8bn
Tax effect	JPY -12.9bn
Other comprehensive income (after tax)	JPY -0.1bn

(Reference) Difference in Tax Rate and Loss Carryforwards

Reconciliation Between Statutory Tax Rate and Effective Tax Rate

	FY15		FY16	
	Rate (%)	Amount (JPY bn)	Rate (%)	Amount (JPY bn)
Income before income tax		919.2		712.5
Statutory income tax rate	33.1%	303.9	31.7%	225.8
(main factors of difference)				
- Impact from sale of equity of associate within the group	-	-	-76.3%	-543.4
- Impact from reassessment of the recoverability of deferred tax assets	17.4%	159.6	15.9%	113.1
- Effect from profit or loss that does not impact taxable gain or loss	2.2%	20.1	-7.5%	-53.3
- Loss relating to loss of control in subsidiary	-	-	3.1%	22.2
- Difference in tax rate applied to subsidiaries	-2.2%	-20.0	1.2%	8.2
- Gain from remeasurement relating to business combination	-2.1%	-19.7	-0.8%	-5.7
- Impairment loss on goodwill	-	-	1.4%	9.6
- Others	-2.4%	-21.2	2.2%	16.4
Effective income tax rate	46.0%	422.7	-29.1%	-207.1

Loss Carryforwards (Mar. 31, 2017)

<JPY bn>

Company	Deferred Tax Assets	Valuation Allowance	Deferred Tax Assets on B/S
Sprint	764.2	-764.2	-
SoftBank Group	32.5	-32.5	-
Other	60.3	-52.2	8.1
Total	857.0	-848.9	8.1

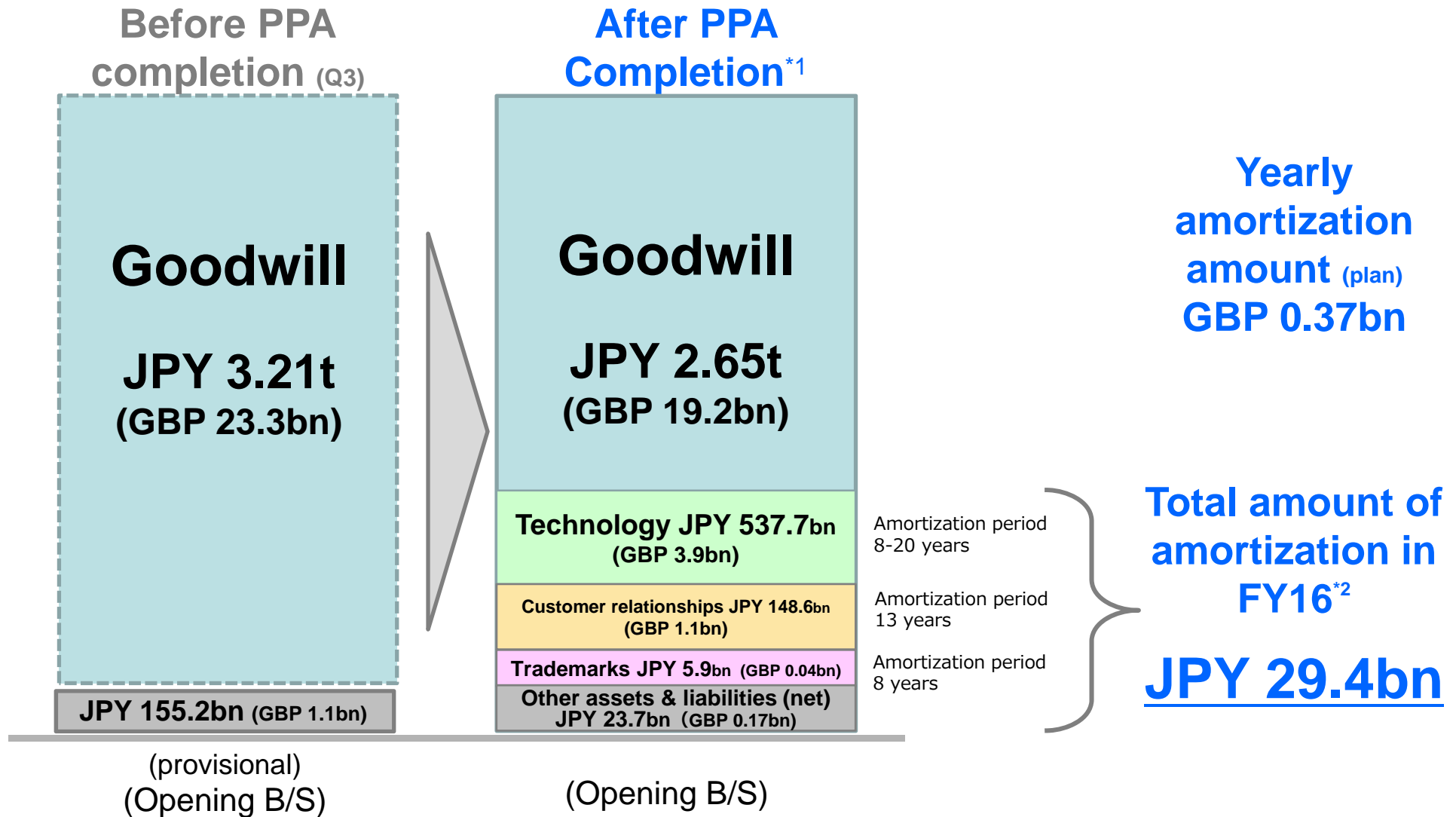
Consolidated B/S Summary - 1 (IFRSs)

<JPY bn>

B/S item	Main items	As of Mar. 2016	As of Mar. 2017	Change	Main breakdown
Current assets		5,550.3	5,724.0	+173.7	
	Cash and cash equivalents	2,569.6	2,183.1	-386.5	
	<i>Sprint</i>	297.6	322.0	+24.4	
	Trade and other receivables	1,914.8	2,121.6	+206.8	
	Other financial assets	152.9	794.7	+641.8	Increase in commercial paper for short-term investment and time deposits at Sprint. Recorded time deposits and other financial assets of ARM in conjunction with consolidation.
	Other current assets	553.6	283.2	-270.4	Decreased mainly due to refund of withholding income tax related to dividends within group companies (-293.5).
Non-current assets		15,156.9	18,910.2	+3,753.3	
	Property, plant and equipment	4,183.5	3,977.3	-206.2	Decrease due to depreciation of network equipment.
	<i>Sprint</i>	2,055.4	1,926.1	-129.3	
	Goodwill	1,609.8	4,175.5	+2,565.7	See page 15 for goodwill details.
	<i>ARM</i>	-	2,687.9	+2,687.9	
	Intangible assets	6,439.1	6,946.6	+507.5	See page 16 for breakdown of intangible assets.
	<i>Sprint</i>	5,468.7	5,386.2	-82.5	
	Other financial assets	970.9	1,552.3	+581.4	Additional investments into existing investees and newly acquired investment securities.
	Deferred tax assets	172.9	405.0	+232.1	Tax effects of WRH held Alibaba shares
	Total assets	20,707.2	24,634.2	+3,927.0	

*Exchange rate: USD 1 = JPY 112.68 as of Mar. 31, 2016, USD 1 = JPY 112.19 as of Mar. 31, 2017.
 GBP 1 = JPY 138.15 as of Sept. 5, 2016, GBP 1 = JPY 140.08 as of Mar. 31, 2017.

(Reference) PPA Relating to ARM Acquisition



*1 The above amount is translated with the foreign exchange rate of GBP 1 = 138.15JPY on acquisition date of Sept. 5, 2016 and may change within a year from acquisition.

*2 Sept. 5, 2016 – Mar. 31, 2017

Consolidated B/S Summary - 2 (IFRSs)

- Breakdown of Goodwill

<JPY bn>

B/S item	Main items	As of Mar. 2016	As of Mar. 2017	Change		Outline
				Changes in exchange rate	Others	
Goodwill		1,609.8	4,175.5	+26.7	+2,539.0	
	ARM	-	2,687.9	+37.0	+2,650.9	Newly consolidated from Sept. 2016
	SoftBank	907.5	907.5	-	-	
	Sprint	331.8	330.4	-1.4	-	
	Brightstar	88.3	58.0	-	-30.3	Decrease due to impairment loss on goodwill
	Ikyu	72.0	72.0	-	-	
	ASKUL	53.8	53.8	-	-	
	Supercell	93.3	-	-8.8	-84.5	Sale of Supercell in July 2016.

*The above are the amounts of goodwill recognized at the time of acquisition. They do not include goodwill recognized as a result of M&A executed by the relevant subsidiaries after their acquisition date.

*Sprint and Brightstar (USD): translated at: USD 1 = JPY 112.68 as of Mar. 31, 2016 and USD 1 = JPY 112.19 as of Mar. 31, 2017.

ARM (GBP): translated at: GBP 1 = JPY 138.15 as of Sept. 5, 2016 and GBP 1 = JPY 140.08 as of Mar. 31, 2017.

Supercell (EUR): translated at: EUR 1 = JPY 127.70 as of Mar. 31, 2016.

Consolidated B/S Summary - 3 (IFRSs)

- Breakdown of Intangible Assets

<JPY bn>

B/S item	Main items	As of Mar. 2016	As of Mar. 2017	Change			Outline
				Amortization	Changes in exchange rate	Other	
Main intangible assets	FCC licenses (non-amortized)	4,060.8	4,100.7	-	-13.9	+53.8	
	<i>Sprint</i>	4,060.8	4,100.7	-	-13.9	+53.8	Increase in "others" mainly related to FCC licenses acquired through exchange of spectrum with other carriers (non-cash transaction).
	Technology	-	522.9	-22.3	+7.1	+538.1	
	Main b/d						
	<i>ARM</i>	-	522.5	-22.3	+7.1	+537.7	Newly consolidated from Sept. 2016 Straight-line method. Amortization period: 8-20 years
	Customer relationships	439.8	447.1	-137.5	-4.4	+149.2	
	Main breakdown						
	<i>Sprint</i>	324.3	209.8	-109.3	-5.2	-	Sum-of-the-months' digits method. Amortization period: postpaid: 8 years, prepaid: 4 years.
	<i>ARM</i>	-	144.0	-6.6	+2.0	+148.6	Newly consolidated from Sept. 2016 Straight-line method. Amortization period: 13 years
	<i>ASKUL</i>	38.5	34.8	-3.7	-	-	Straight-line method. Amortization period: 11 years
	<i>SoftBank</i>	37.4	24.4	-13.0	-	-	Sum-of-the-months' digits method. Amortization period: mobile business (excl. PHS): 8 years. fixed broadband business: 6 years. PHS: 9 years.
	<i>Brightstar</i>	17.3	13.5	-2.6	-1.2	-	Sum-of-the-months' digits method. Amortization period: 12-16 years.
	<i>Ikyu</i>	15.8	14.6	-1.2	-	-	Straight-line method. Amortization period: 10-14 years
	Trademarks	706.6	703.0	-	-3.6	-	Excluding trademarks with finite useful lives.
	<i>Sprint</i>	668.8	665.9	-	-2.9	-	
	<i>ASKUL</i>	20.1	20.1	-	-	-	
	<i>Ikyu</i>	10.1	10.1	-	-	-	
	<i>Brightstar</i>	7.6	6.9	-	-0.7	-	
	Game titles	59.8	-	-6.9	-5.3	-47.6	
	<i>Supercell</i>	59.8	-	-6.9	-5.3	-47.6	Straight-line method. Amortization period: 5 years Sale of Supercell in July 2016.

*Sprint and Brightstar (USD): translated at: USD 1 = JPY 112.68 as of Mar. 31, 2016 and USD 1 = JPY 112.19 as of Mar. 31, 2017.

ARM (GBP): translated at: GBP 1 = JPY 138.15 as of Sept. 5, 2016 and GBP 1 = JPY 140.08 as of Mar. 31, 2017.

Supercell (EUR): translated at: EUR 1 = JPY 127.70 as of Mar. 31, 2016.

Consolidated B/S Summary - 4 (IFRSs)

<JPY bn>

B/S item	Main items	As of Mar. 2016	As of Mar. 2017	Change	Main breakdown
		5,165.8	5,226.9	+61.1	
Current liabilities	Short-term borrowings	515.4	667.7	+152.3	SBG: enhance cash on hand (+278.8)
	<i>Sprint</i>	148.5	-	-148.5	Repaid in full
	Current portion of long-term borrowings	743.2	1,128.5	+385.3	SBG: transfer from non-current (+120.1)
	<i>Sprint</i>	82.0	307.2	+225.2	Increase in financing using network equipment, part of spectrum assets and leased devices.
	Current portion of corporate bonds	900.7	339.5	-561.2	SBG: redemption of bond (-470.0), unsecured straight bonds due within 1 year transferred from non-current (+119.9)
<i>Sprint</i>	431.8	219.4	-212.4	Redemption of bond (-392.3), bonds due within 1 year transferred from non-current (+187.9).	
		12,036.1	14,937.6	+2,901.5	
Non-current liabilities	Long-term borrowings	1,785.5	3,377.6	+1,592.1	SBG: bridge loan of JPY 1t for ARM acquisition (+561.7).
	<i>Sprint</i>	80.1	1,044.1	+964.0	Increased due to a term loan of USD 4bn executed in Feb. 2017 and spectrum financing as well as securitization of installment sales and telecommunications service receivables.
	Corporate bonds	6,611.9	7,233.8	+621.9	SBG: issuance of unsecured straight corporate bonds and hybrid bonds (+957.4)
	<i>Sprint</i>	3,188.2	2,954.3	-233.9	Decrease mainly due to transfer to current
	Financial liabilities relating to sale of shares by variable prepaid forward contract	-	715.4	+715.4	Financial liabilities for the sale of Alibaba shares by variable prepaid forward contract (see page 8).
	Other financial liabilities	95.7	287.2	+191.5	Recorded derivative liabilities related to sale of Alibaba shares by variable prepaid forward contract (+143.9).
Deferred tax liabilities	2,083.2	1,941.4	-141.8	Reversal of temporary differences related to Alibaba	
<i>Sprint</i>	1,652.2	1,695.2	+43.0	Recorded in conjunction with acquisition of ARM.	
	Total liabilities	17,201.9	20,164.5	+2,962.6	

*Translated at: USD 1 = JPY 112.68 as of Mar. 31, 2016 and USD 1 = JPY 112.19 as of Mar. 31, 2017.

Consolidated B/S Summary - 5 (IFRSs)

<JPY bn>

B/S item	Items	As of Mar. 2016	As of Mar. 2017	Change	Main breakdown
Equity		3,505.3	4,469.7	+964.4	
	Common stock	238.8	238.8	-	
	Capital surplus	261.2	245.7	-15.5	
	Retained earnings	2,166.6	2,958.4	+791.8	Increase in net income attributable to owners of the parent (+1,426.3). Decrease due to retirement of 100 million (8.33% of the total number of issued shares before the retirement) of treasury stock (-595.2)
	Treasury stock	-314.8	-67.7	+247.1	100 million of treasury stock retired after completion of share buyback.
	Accumulated other comprehensive income	261.7	211.2	-50.5	Decrease in exchange differences on translating foreign operations (-25.1).
	Non-controlling interests	891.7	883.4	-8.3	
	Equity attributable to owners of the parent ratio (equity ratio)	12.6%	14.6%	+2.0p	

*Sprint (USD): translated at: USD 1 = JPY 112.68 as of Mar. 31, 2016 and USD 1 = JPY 112.19 as of Mar. 31, 2017.

ARM (GBP): translated at: GBP 1 = JPY 138.15 as of Sept. 5, 2016 and GBP 1 = JPY 140.08 as of Mar. 31, 2017.

Alibaba (CNY): translated at: CNY 1 = JPY 17.39 as of Mar. 31, 2016 and CNY 1 = JPY 16.29 as of Mar. 31, 2017.

Supercell (EUR): translated at: EUR 1 = JPY 127.70 as of Mar. 31, 2016.

Impact of Sprint - US-GAAP > IFRSs Adjustment (1)

<Adjustment to PL items> (Apr. 1, 2016 – Mar. 31, 2017)

<USD mil>

Sprint	US-GAAP	Re-classification (1)	Difference of recognition and measurement					IFRSs		SoftBank Group
			Network restructuring cost (2)	ARO discount rate (3)	Securitization cost (4)	Depreciation on impaired assets (5)	Other	USD mil	JPY bn	
Net operating revenues	33,347							33,347	3,623.3	Net sales
Net operating expenses										
Cost of services and products	-14,938	-7,639			-5	-32	13	-22,601	-2,455.6	Cost of sales
Selling, general and administrative	-7,994	-477			28		-39	-8,482	-921.3	Selling, general and administrative expenses
Depreciation and amortization	-8,150	8,150								
Other, net	-501		-12				-23	-536	-60.0	Other operating loss
Operating income	1,764	34	-12		23	-32	-49	1,728	186.4	Operating income
Interest expense	-2,495	29	-6	-29	-28		2	-2,527	-274.6	Finance cost
Other expense, net	-40	-63					-2	-105	-11.0	Other non-operating loss
Loss before income taxes	-771		-18	-29	-5	-32	-49	-904	-99.2	Loss before income tax
Income tax expense	-435						-15	-450	-49.1	Income taxes
Net loss	-1,206		-18	-29	-5	-32	-64	-1,354	-148.3	Net loss
Operating income	1,764	34	-12		23	-32	-49	1,728	186.4	Operating income
Depreciation and amortization	8,150	-34				32	2	8,150	885.8	Depreciation and amortization
EBITDA	9,914		-12		23		-47	9,878	1,072.2	EBITDA
Other adjustments	20		12				21	53	7.4	Other adjustments
Adjusted EBITDA	9,934				23		-26	9,931	1,079.6	Adjusted EBITDA

*Average rate for the quarter is used for conversion of the U.S. dollars into yen (Apr. to June 2016, USD 1 = JPY 109.07, July to Sept., USD 1 = JPY 102.91, Oct. to Dec., USD 1 = JPY 108.72, Jan. to Mar. 2017, USD 1 = JPY 113.76).

(1) Mainly reclassification of depreciation and amortization to cost of sales and SGA.

Interest from asset retirement obligations (USD 34 million) is recorded as operating expenses under US-GAAP and finance cost under IFRSs.

(2) Under US-GAAP, provision for network infrastructure restructuring (iDEN, Clearwire, etc.) is recognized when the payment obligation is probable.

Under IFRSs, the provision is recorded when detailed formal plan is publicly announced (provision was booked at the timing of acquisition).

(3) Under US-GAAP, the discount rate used to measure the asset retirement obligation (ARO) is only updated if the forecast cash outflows increases. Under IFRSs, the discount rate is updated as of the balance sheet date.

(4) Agent and upfront fees are expensed when incurred under US-GAAP, deferred as an asset or deducted from liability and amortized over the life of the agreement (2 years) under IFRSs.

(5) Sprint (US-GAAP) does not recognize depreciation on wireline property, plant, and equipment which impairment loss was recognized during the fiscal year ended March 2015. Under US-GAAP, wireless segment and wireline segment are treated as separate reporting units and impairment test was performed at the individual asset level or asset groups. SBG (IFRSs) continuously recognized depreciation since impairment loss was not recognized, as Sprint is treated as a single cash-generating unit and all assets were tested together for impairment.

Impact of Sprint - US-GAAP > IFRSs Adjustment (2)

<Adjustment to BS items> (as of Mar. 31, 2017)

<USD mil>

Sprint	US-GAAP	Re-classification (1)	Difference of recognition and measurement						Adjustment on goodwill (6)	IFRSs		SoftBank Group
			Impaired assets (2)	Network restructuring cost (3)	ARO discount rate (4)	Liability to pay levies (5)	Tax effect on adjustments	Other		USD mil	JPY bn	
Assets												Assets
Current assets	14,117							-1		14,116	1,583.7	Current assets
Goodwill	6,579			340		77			-4,048	2,948	330.7	Goodwill
Other non-current assets	64,427		2,062					1		66,490	7,459.5	Other non-current assets
Total assets	85,123		2,062	340		77			-4,048	83,554	9,373.9	Total assets
Liabilities and shareholders' equity												Liabilities and equity
Current liabilities	12,458	88		33		107		10		12,696	1,424.3	Current liabilities
Non-current liabilities	53,857	-88		26	-23		694	-19		54,447	6,108.5	Non-current liabilities
Total liabilities	66,315			59	-23	107	694	-9		67,143	7,532.8	Total liabilities
Shareholders' equity	18,808		2,062	281	23	-30	-694	9	-4,048	16,411	1,841.1	Total equity
Total liabilities and shareholders' equity	85,123		2,062	340		77			-4,048	83,554	9,373.9	Total liabilities and equity

*March month end rate is used for conversion of the U.S. dollars into yen (USD 1 = JPY 112.19).

(1) Uncertain tax position presented as non-current liabilities under US-GAAP is presented as current liabilities under IFRSs.

(2) Sprint (US-GAAP) recognized impairment loss on Sprint trade name in the wireless segment and wireline property, plant, and equipment during the fiscal year ended March 2015. Under US-GAAP, wireless segment and wireline segment are treated as separate cash-generating units and impairment test was performed at individual asset level or asset groups. SBG (IFRSs) recognized no impairment loss as Sprint is treated as a single cash-generating unit and all assets were tested together for impairment.

(3) Under US-GAAP, provision for network infrastructure restructuring (iDEN, Clearwire, etc.) is recognized when the payment obligation is probable. Under IFRSs, the provision is recorded when detailed formal plan is publicly announced (provision was booked at the timing of acquisition).

(4) Under US-GAAP, the discount rate used to measure the asset retirement obligation (ARO) is only updated if the forecast cash outflow increase. Under IFRSs, the discount rate is updated as of the balance sheet date.

(5) Difference in recognition timing of liabilities / expenses related to levies (mainly property tax). Under IFRSs, liabilities / expenses are recognized when the payment obligation to the government occurs.

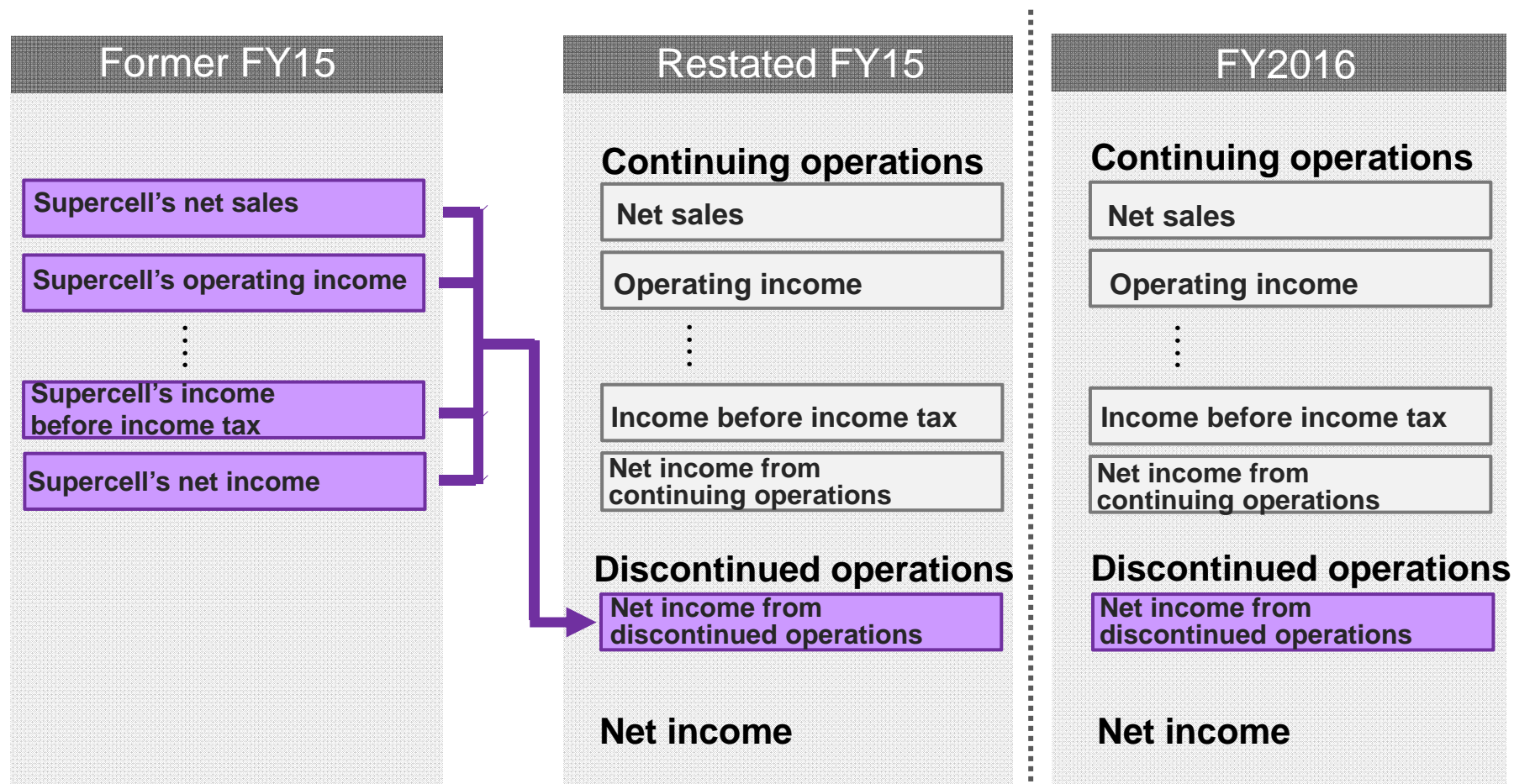
(6) Goodwill adjustments are as follows.

i . In relation to the acquisition of Sprint, SBG entered into foreign currency forward contract, out of which USD 17.0 billion was accounted for under hedge accounting. The fair value on the acquisition date of this hedging instrument (USD 3,081 million) is deducted from goodwill (basis adjustment).

ii . Elimination of goodwill relating to non-controlling interest of Sprint.

(Reference) Impact of Sale of Supercell Shares

Supercell's earnings presented separately from "continuing operations."



Finance

Main Financing Activities

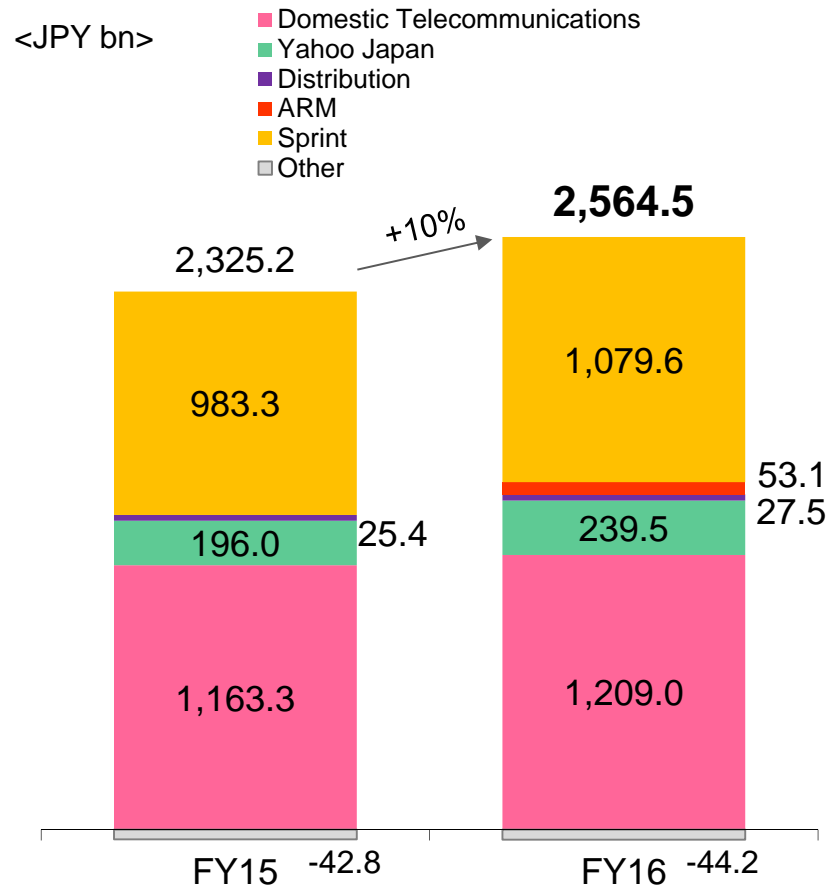
Category	Event	Amount	Timing
Bonds	Issuance of 49 th , 50 th Unsecured Straight Corporate Bond (7 years / 10 years)	Total JPY 50.0bn	Apr. 2016
	Hybrid Bonds 1st (final legal maturity 25 years, NC5) 2nd (final legal maturity 27 years, NC7) 3rd (final legal maturity 25 years, NC5)	JPY 55.6bn JPY 15.4bn JPY 400.0bn	Sept. 2016
	Issuance of 51 st , 52 nd Unsecured Straight Corporate Bond (both 7 years)	Total JPY 45.0bn	Mar. 2017
Divestment	Monetization of a portion of Alibaba shares Advances received for sale of shares by variable prepaid forward contract Sale	Total USD 8.8bn (approx. JPY 0.9t) USD 5.4bn (Approx. JPY 570.0bn) USD 3.4bn (Approx. JPY 360.0bn)	June - July 2016
	Sale of Supercell shares	USD 7.3bn (Approx. JPY 770.0bn)	June 2016
	Sale of GungHo shares for GungHo's tender offer	JPY 72.2bn	Aug. 2016
ARM Acquisition	Announcement of acquisition of 100% shares of ARM Holdings plc (ARM)	GBP 24.0bn (Approx. JPY 3.3t)	July 2016
	Execution of Bridge Loan Agreement for ARM acquisition	JPY 1.0t	
	Completion of ARM acquisition		Sept. 2016
Investment related	Decision to establish SoftBank Vision Fund		Oct. 2016
	Agreement to invest in OneWeb Ltd.	USD 1.0bn	Dec. 2016
	Agreement to acquire Fortress Investment Group LLC	Total investment made with partners Approx. USD 3.3bn	Feb. 2017
	Agreement to invest in the combination of OneWeb and Intelsat ^{*1}	USD 1.7bn	

*1. Conditional combination agreement scheduled to be executed upon completion of the Exchange Offer (debt exchange offers to Intelsat bondholders) and other closing conditions.

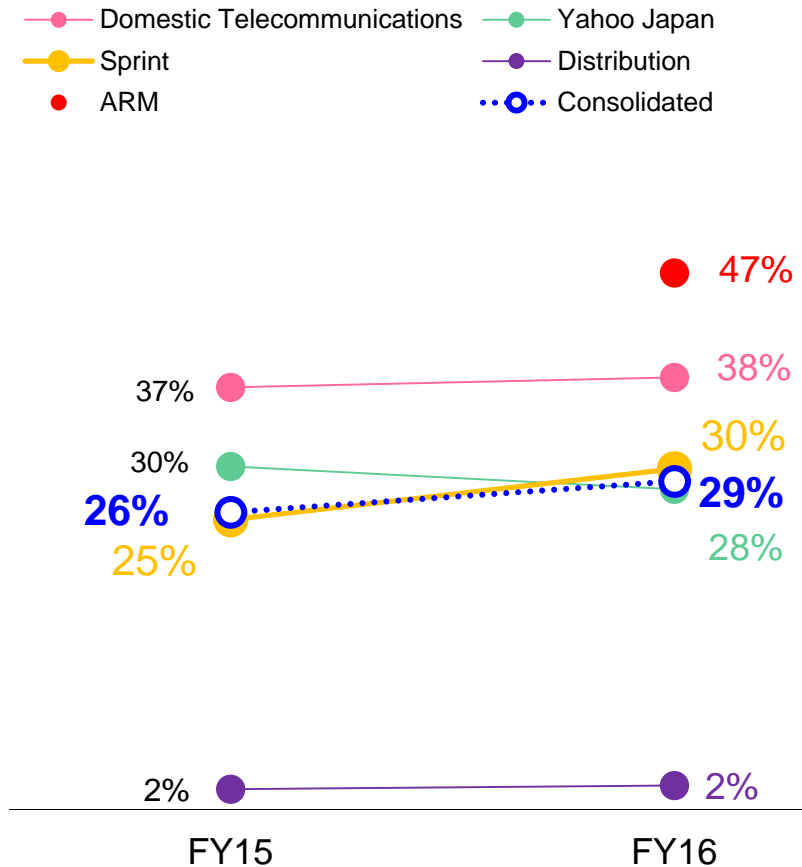
Adjusted EBITDA and Adjusted EBITDA Margin (1)

Significant improvement in Sprint contributes to consolidated EBITDA growth.

Adjusted EBITDA



Adjusted EBITDA Margin



*1. The amount disclosed as EBITDA in the past is now presented as adjusted EBITDA.

*2. Adjusted EBITDA in each segment = (segment income (loss) + depreciation and amortization ± gain from remeasurement relating to business combination ± other operating income (loss) in each segment.

*3. Adjusted EBITDA margin = adjusted EBITDA / net sales.

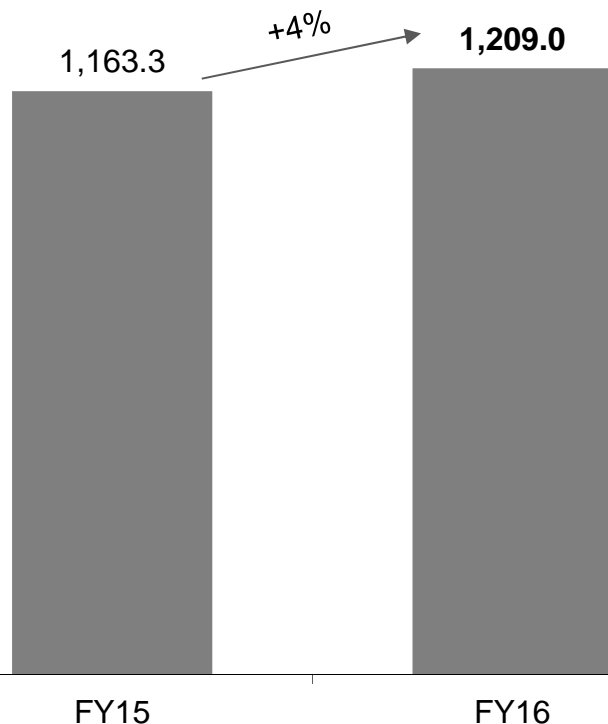
*4. ARM segment is reflected from Sept. 6th 2016.

Adjusted EBITDA and Adjusted EBITDA Margin (2)

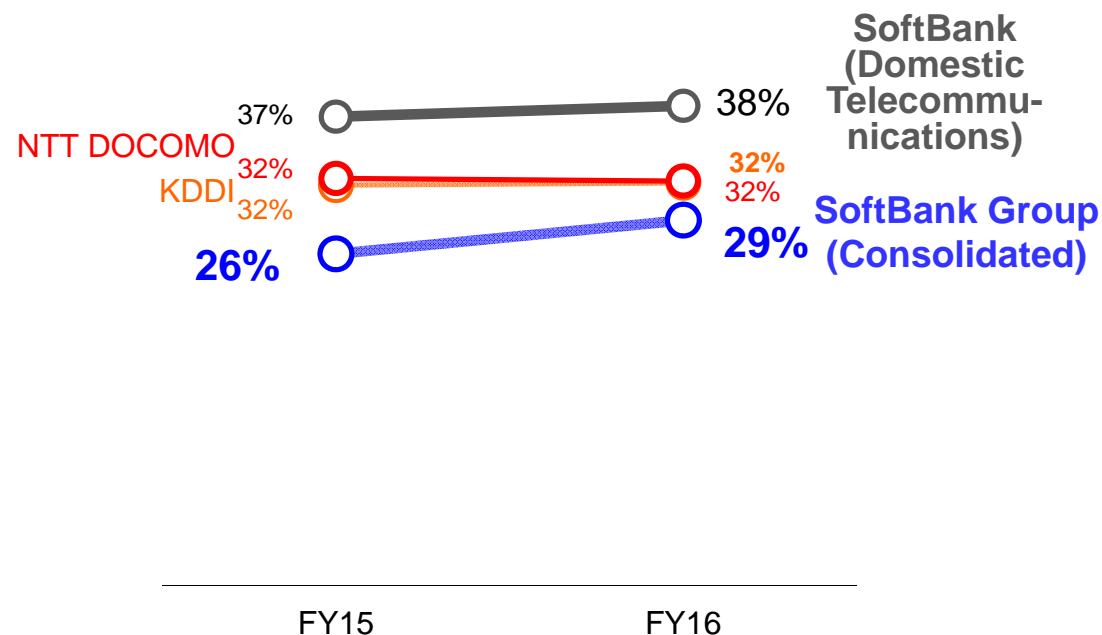
Domestic Telecommunications segment sustains high profit margin.

Adjusted EBITDA (Domestic Telecommunications)

<JPY bn>



Adjusted EBITDA Margin



*1. The amount disclosed as EBITDA in the past is now presented as adjusted EBITDA.

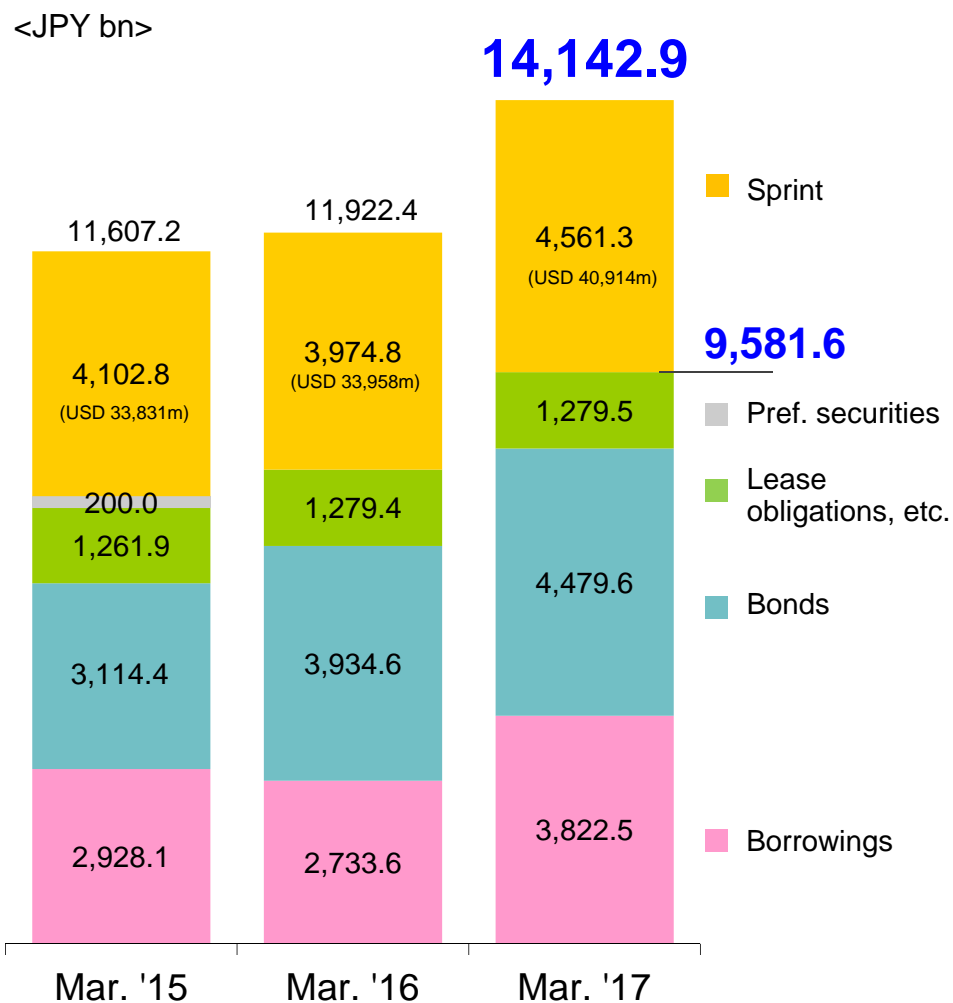
*2. Adjusted EBITDA = segment income (loss) + depreciation and amortization ± gain from remeasurement relating to business combination ± other operating income (loss).

*3. Adjusted EBITDA margin = adjusted EBITDA / net sales

*4. (Source) Respective companies' publicly available data: NTT DOCOMO based on US-GAAP, KDDI based on IFRSs.

Interest-bearing Debt

Increased due to ARM acquisition.



Breakdown of Sprint's interest-bearing debt	<JPY bn>	YoY Change (details)
Borrowings	1,351.3	+1,040.7 (term loan +USD 4bn, spectrum finance +USD 3.5bn)
Bonds	3,173.7	-4,463 (redemption)
Other	36.3	
Total	4,561.3	

Breakdown of bonds	<JPY bn>	
Straight bonds	2,339.7	
Subordinated bonds	1,301.7	+465.1 (Hybrid Bonds +471.0)
(Hybrid Bonds)	(462.8)	
Foreign currency denominated bonds (SBG)	838.2	
Total	4,479.6	

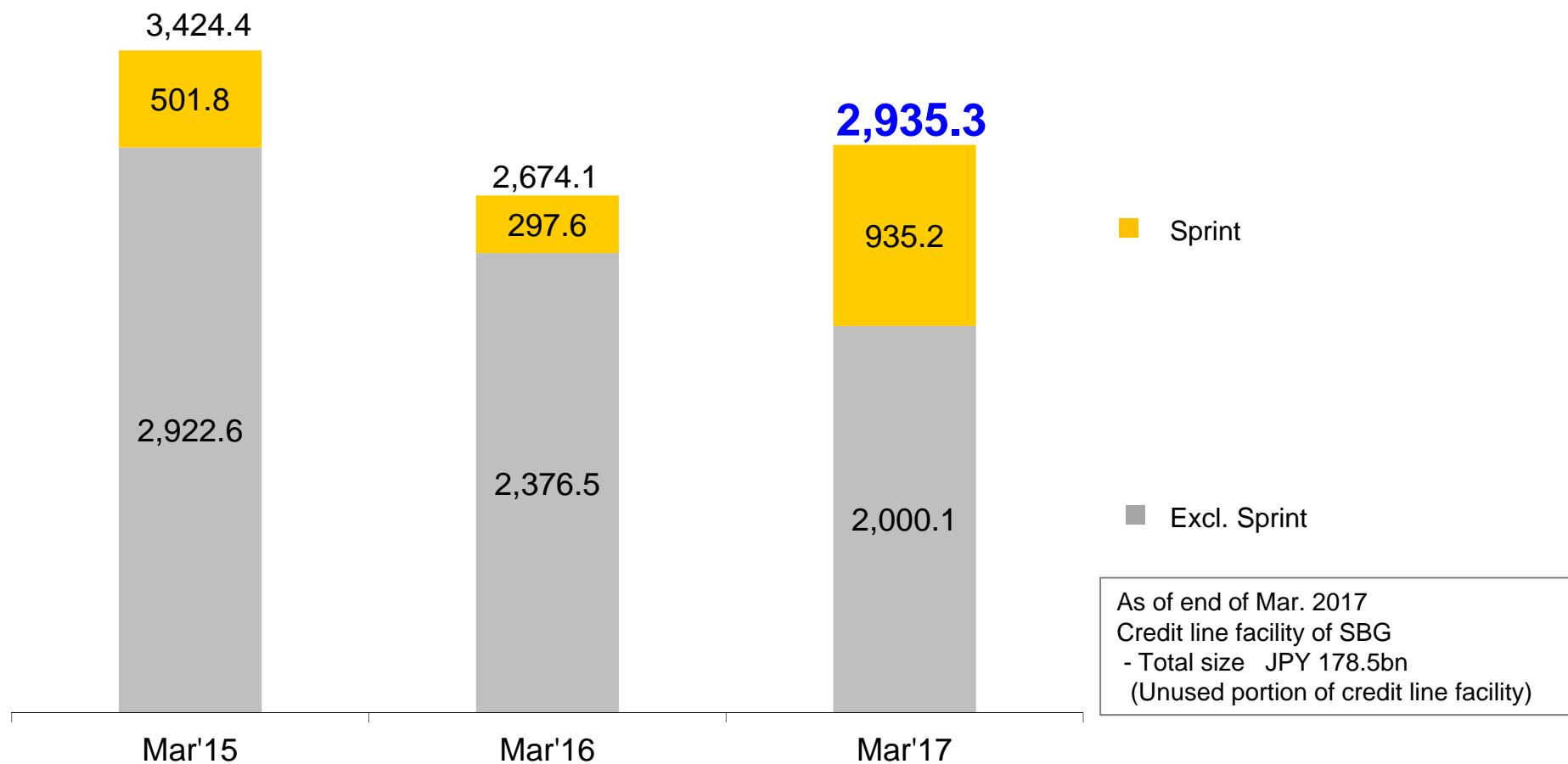
Breakdown of borrowings	<JPY bn>	
Sprint Acquisition Loan	1,469.6	-269.0
ARM Bridge Loan	990.1	+990.1
Securitization of receivables	550.6	
Other	812.1	+288.4
Total	3,822.5	

*Financial liabilities relating to sale of Alibaba shares by variable prepaid forward contract are deducted from interest-bearing debt.

Cash Position

After ARM acquisition, maintain affluent cash position.

<JPY bn>

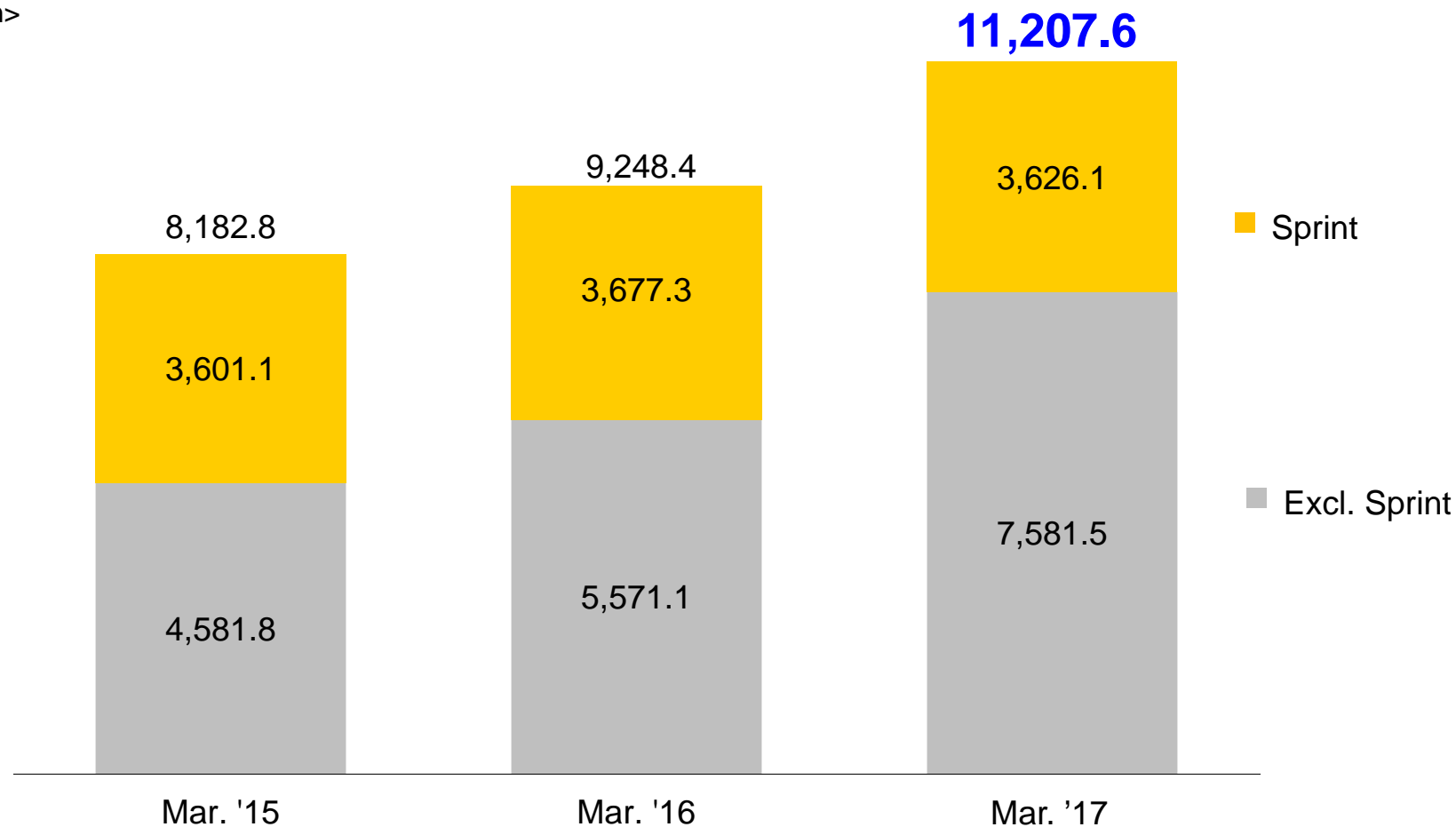


*Cash position = cash and cash equivalents + short-term investments recorded as current assets

Net Interest-bearing Debt

Deteriorated due to ARM acquisition, alleviated by the monetization of Alibaba shares, etc.

<JPY bn>



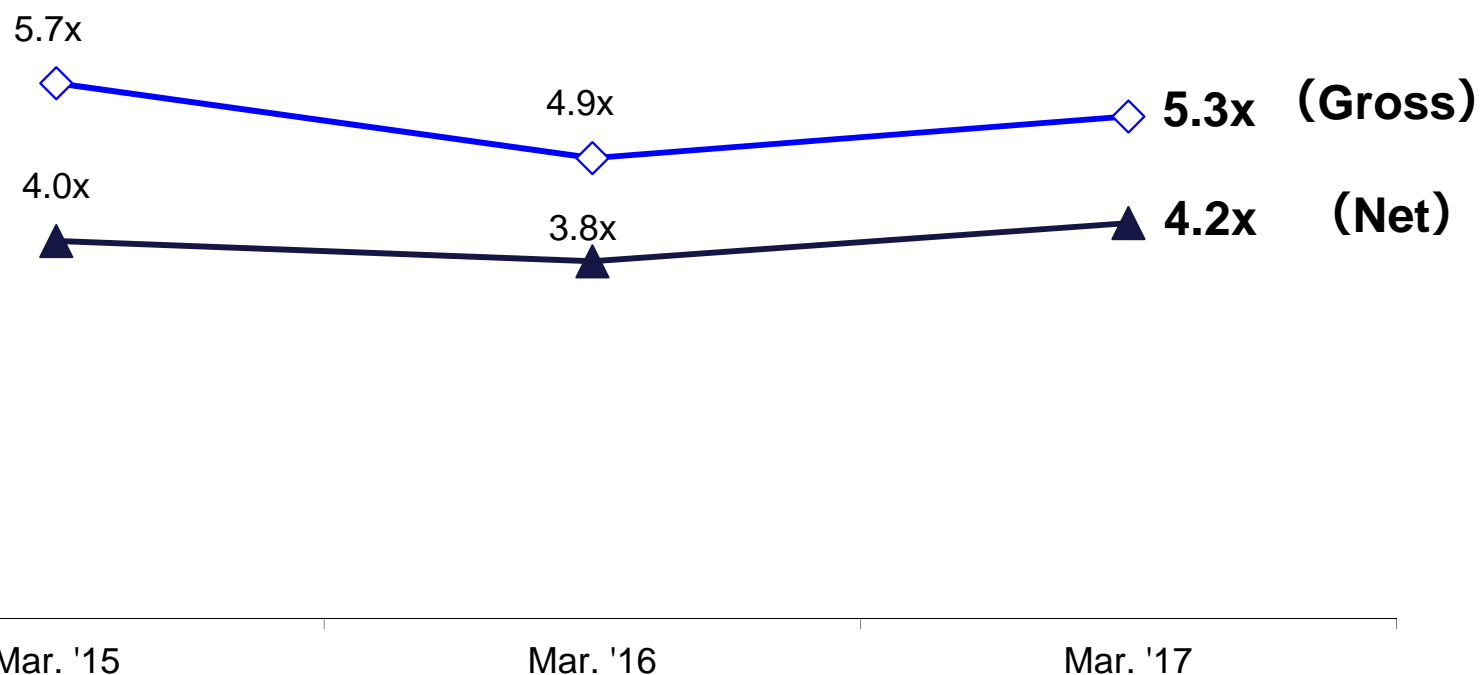
*1. Net interest-bearing debt: interest-bearing debt – cash position

*2. Financial liabilities relating to sale of Alibaba shares by variable prepaid forward contract are deducted from interest-bearing debt.

Leverage Ratio

Deteriorated due to ARM acquisition, alleviated by the monetization of Alibaba shares and issuance of Hybrid Bonds.

Leverage Ratio (Gross / Net)



*1. Gross leverage ratio = interest-bearing debt / adjusted EBITDA

*2. Net leverage ratio = net interest-bearing debt / adjusted EBITDA

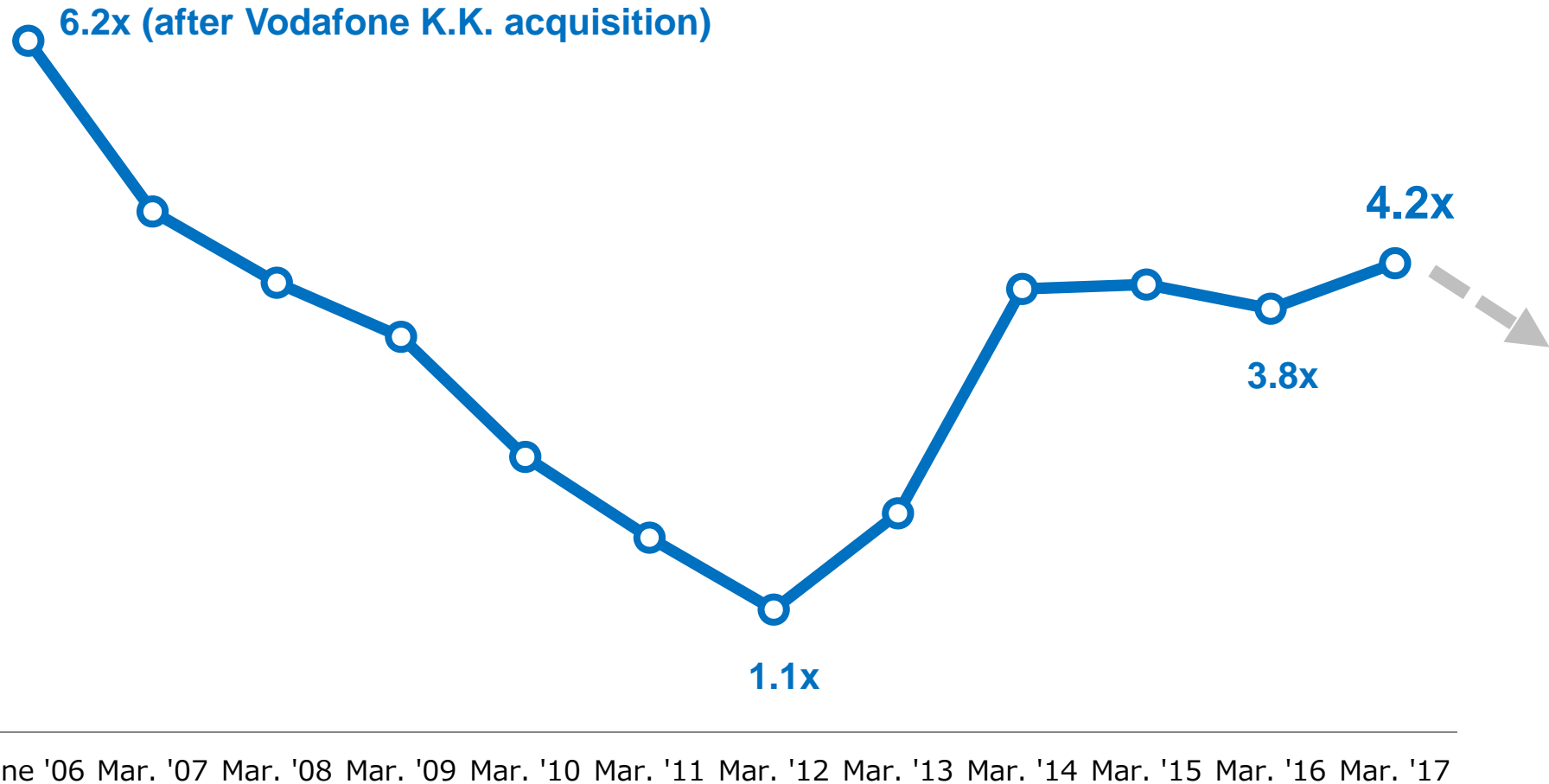
*3. Calculation of adjusted EBITDA uses LTM (Last Twelve Months).

*4. Financial liabilities relating to sale of Alibaba shares by variable prepaid forward contract are deducted from interest-bearing debt. 50% of the funds procured through Hybrid Bonds are categorized as equity.

*5. Cash position to be received for the sale of Supercell shares is included.

Net Leverage Ratio (Consolidated)

Continued focus on net debt reduction.



*1. Net leverage ratio = net interest-bearing debt / adjusted EBITDA.

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

*3. Adjusted EBITDA for fiscal 2014 has been revised retrospectively due to GungHo becoming an equity method associate. Adjusted EBITDA for fiscal 2015 includes Supercell.

*4. ARM's annualized adjusted EBITDA.

*5. Revenues related to sales of Supercell are reflected.

*6. Financial liabilities relating to sale of Alibaba shares by variable prepaid forward contract are deducted from interest-bearing debt. 50% of the funds procured through Hybrid Bonds are categorized as equity. **30**

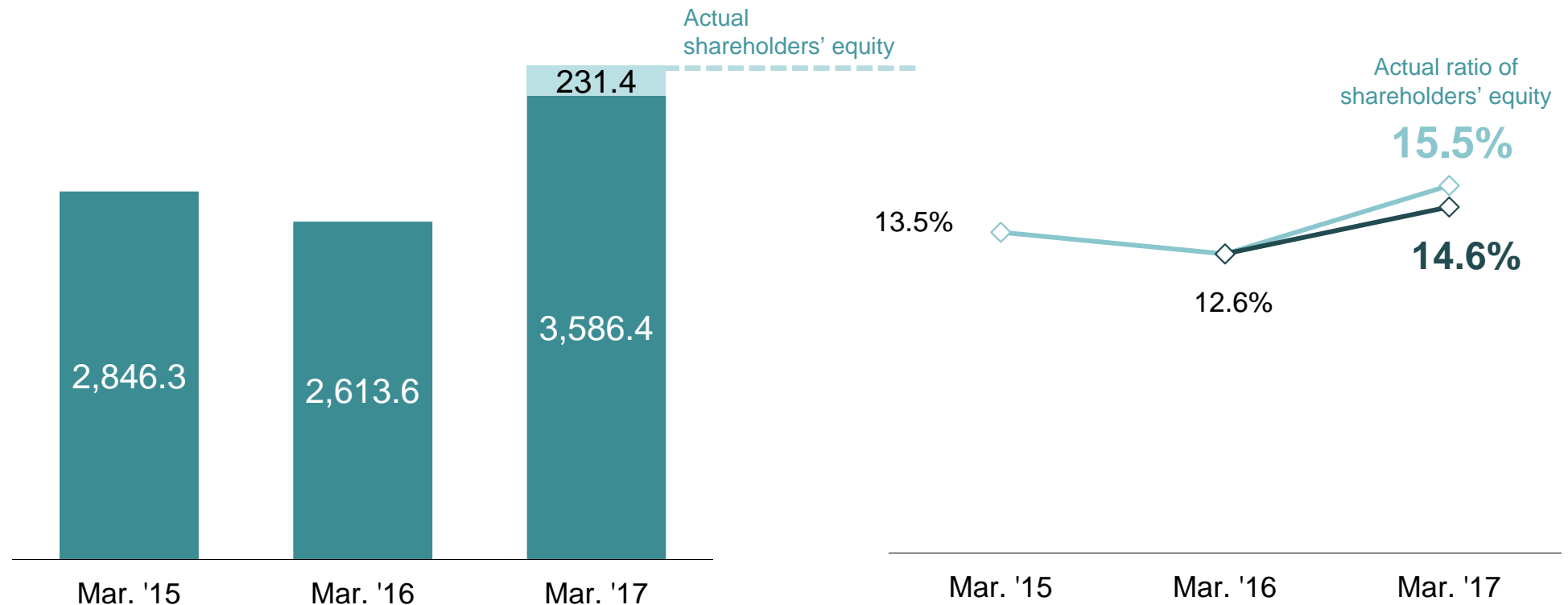
Equity Attributable to Owners of the Parent Ratio

Equity increased due to monetization of shares held.

Equity Attributable to Owners of the Parent
(shareholders' equity)

Ratio of Equity Attributable to Owners of the Parent
(shareholders' equity ratio)

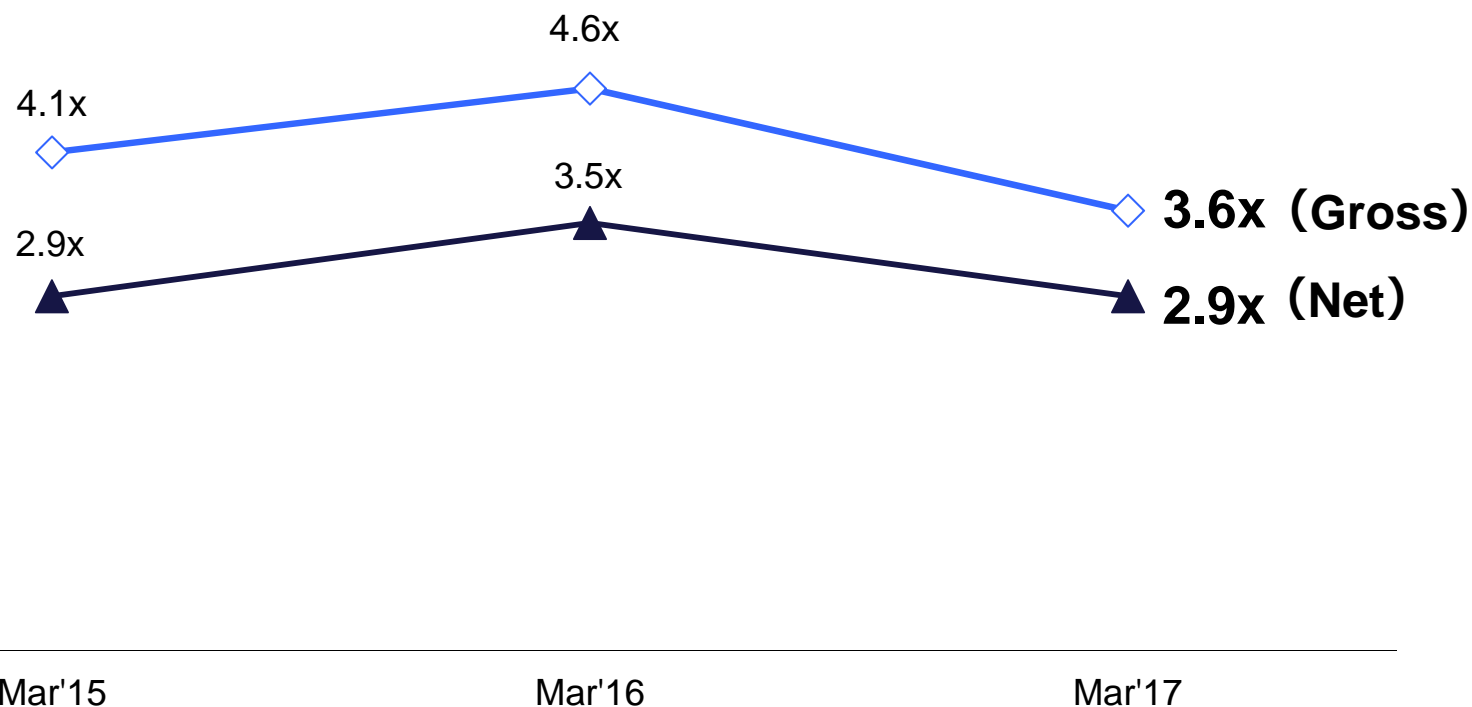
<JPY bn>



*Shareholders' equity = equity attributable to owners of the parent (including adjustments related to the issuance of Hybrid Bonds)

Debt / Equity Ratio

Debt / Equity Ratio (Gross / Net)



*1. Debt / equity ratio = interest-bearing debt / equity attributable to owners of the parent (shareholders' equity (including adjustments related to the issuance of Hybrid Bonds)).

*2. Net debt / equity ratio = net interest-bearing debt / equity attributable to owners of the parent (shareholders' equity (including adjustments related to the issuance of Hybrid Bonds)).

*3. Financial liabilities relating to sale of Alibaba shares by variable prepaid forward contract are deducted from interest-bearing debt.

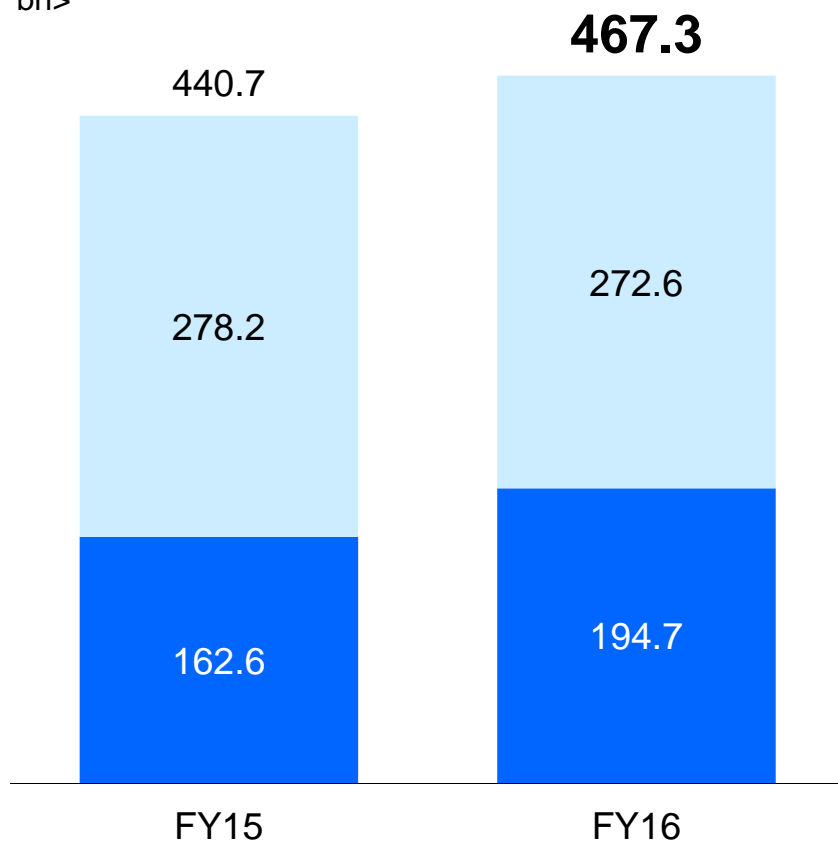
*4. Cash position to be received for the sale of Supercell shares is included.

Interest Expense

Interest Expense (finance cost)

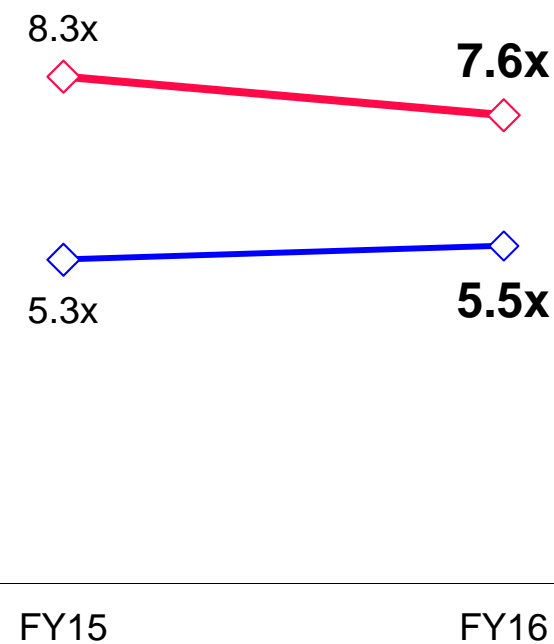
■ Excl. Sprint ■ Sprint

<JPY bn>



Interest Coverage Ratio

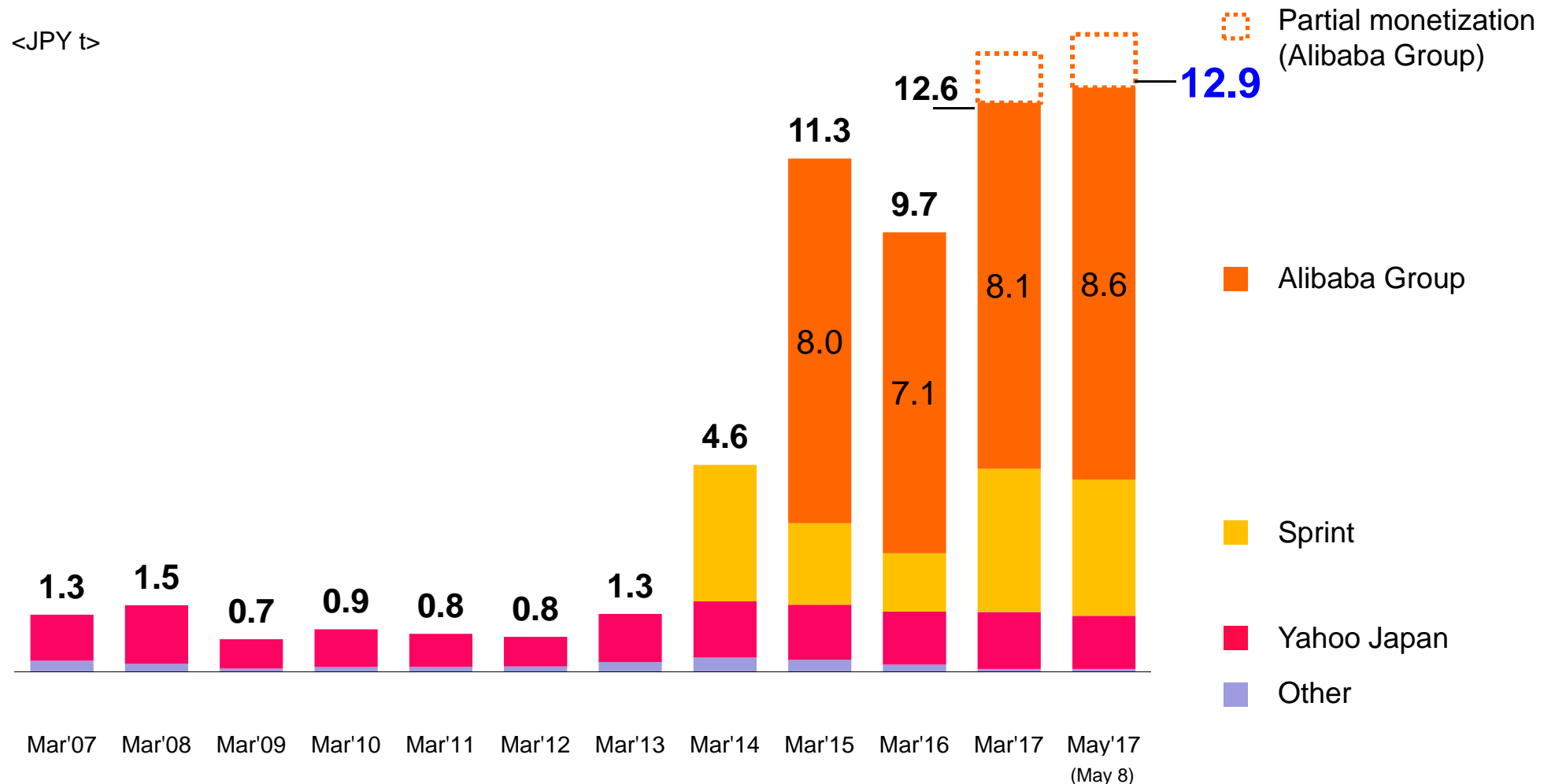
◆ Excl. Sprint ◆ Consolidated



*1. Interest Coverage Ratio = adjusted EBITDA / interest expenses (finance cost)

Market Cap of Main Listed Holdings Held by SoftBank Group and Its Subsidiaries

Market cap of shares held still approx. JPY 13t after monetization of portion of Alibaba shares.

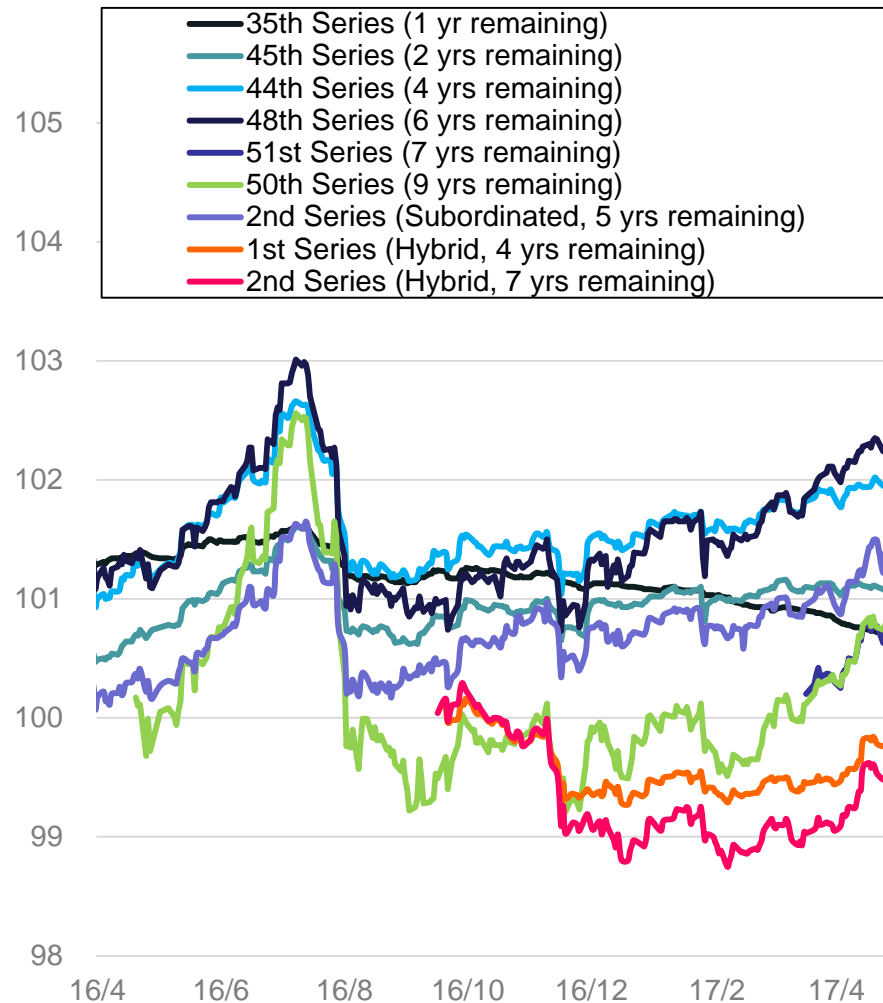


*1. Calculated by SoftBank Group based on the closing price of each fiscal year end.

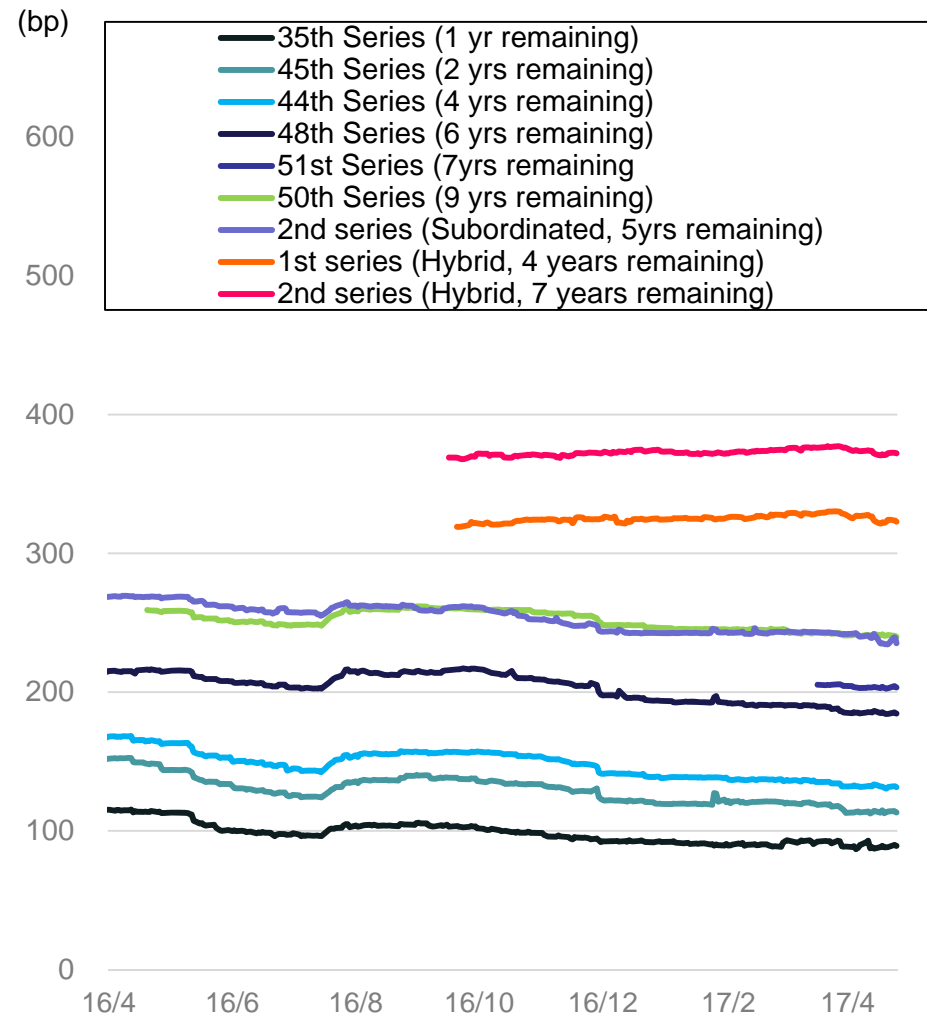
SoftBank Group: Price and Spread of Domestic Currency Denominated Bond



Domestic Currency Denominated Bond Price



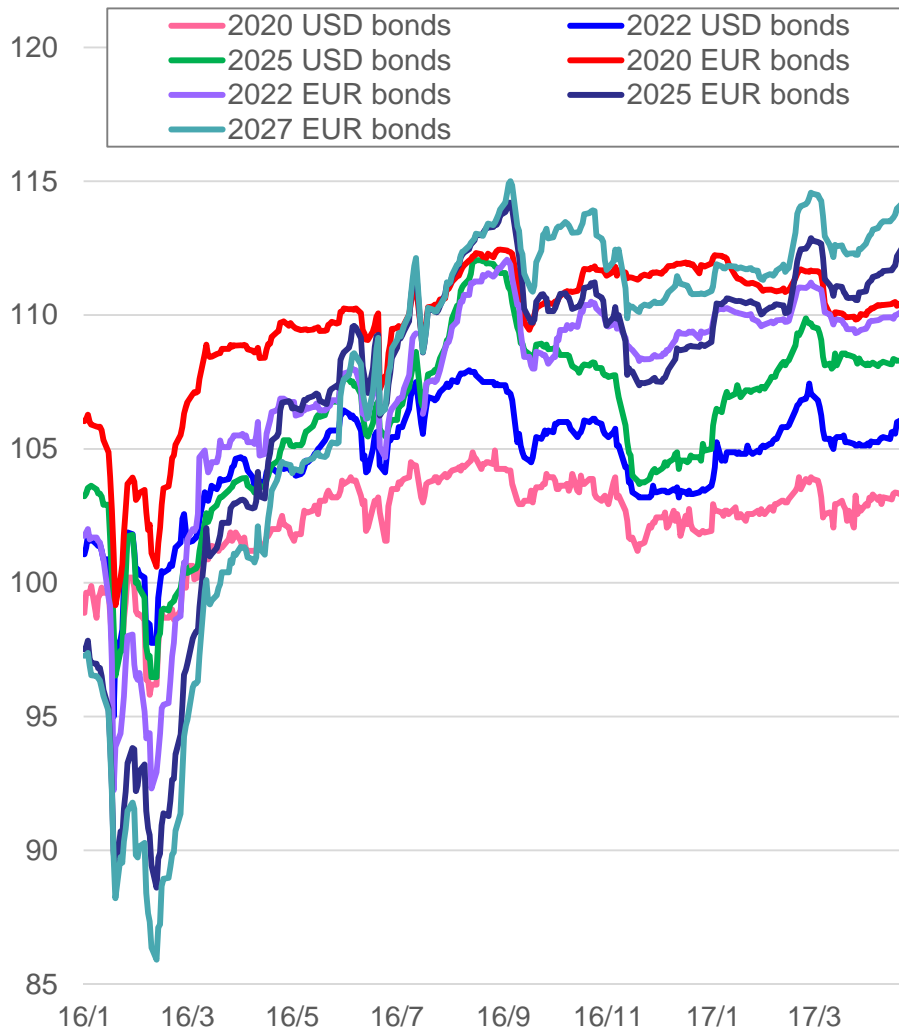
Domestic Currency Denominated Bond Credit Spread



(Source) Created by SoftBank Group based on Bloomberg data
 Remaining years of Hybrid Bonds shows maturity of first call. Credit spread of Hybrid Bonds are over swap rate.

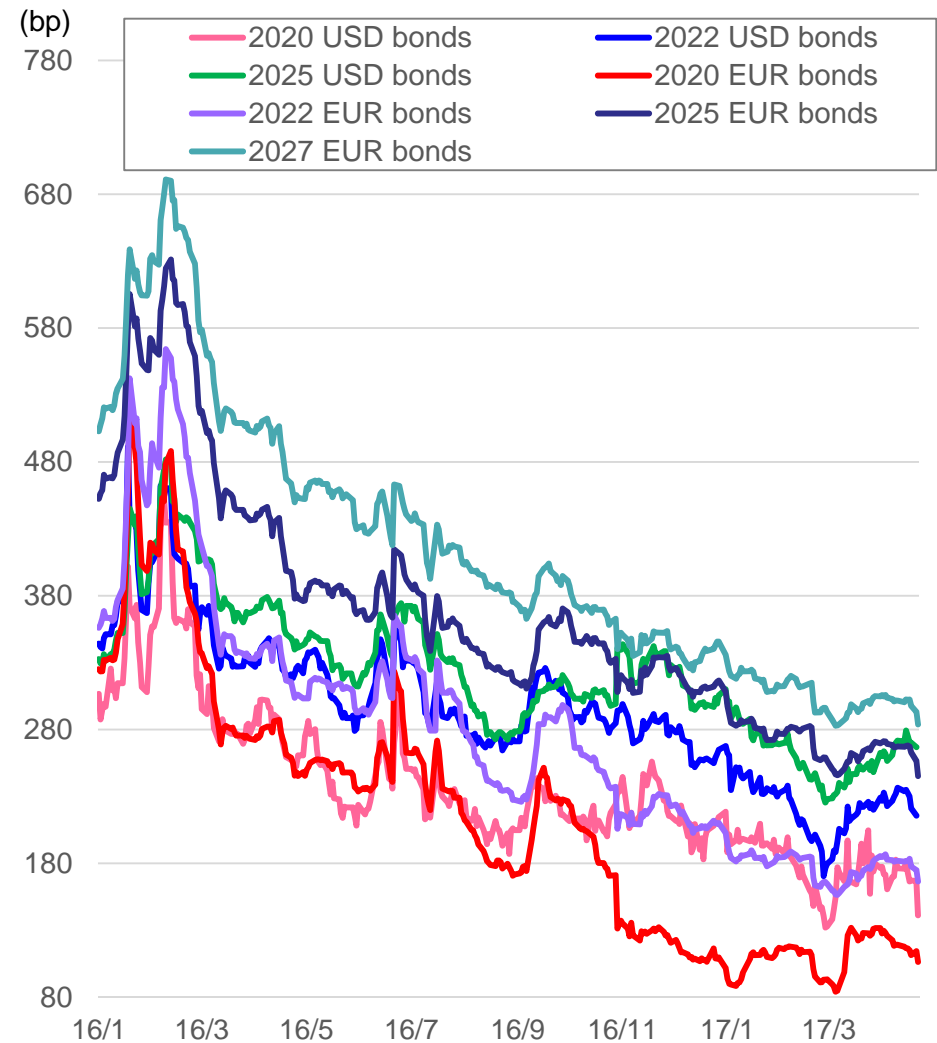
SoftBank Group: Price and Spread of Foreign Currency Denominated Bond

Foreign Currency Denominated Bonds Price



(Source) Created by SoftBank Group based on Bloomberg data

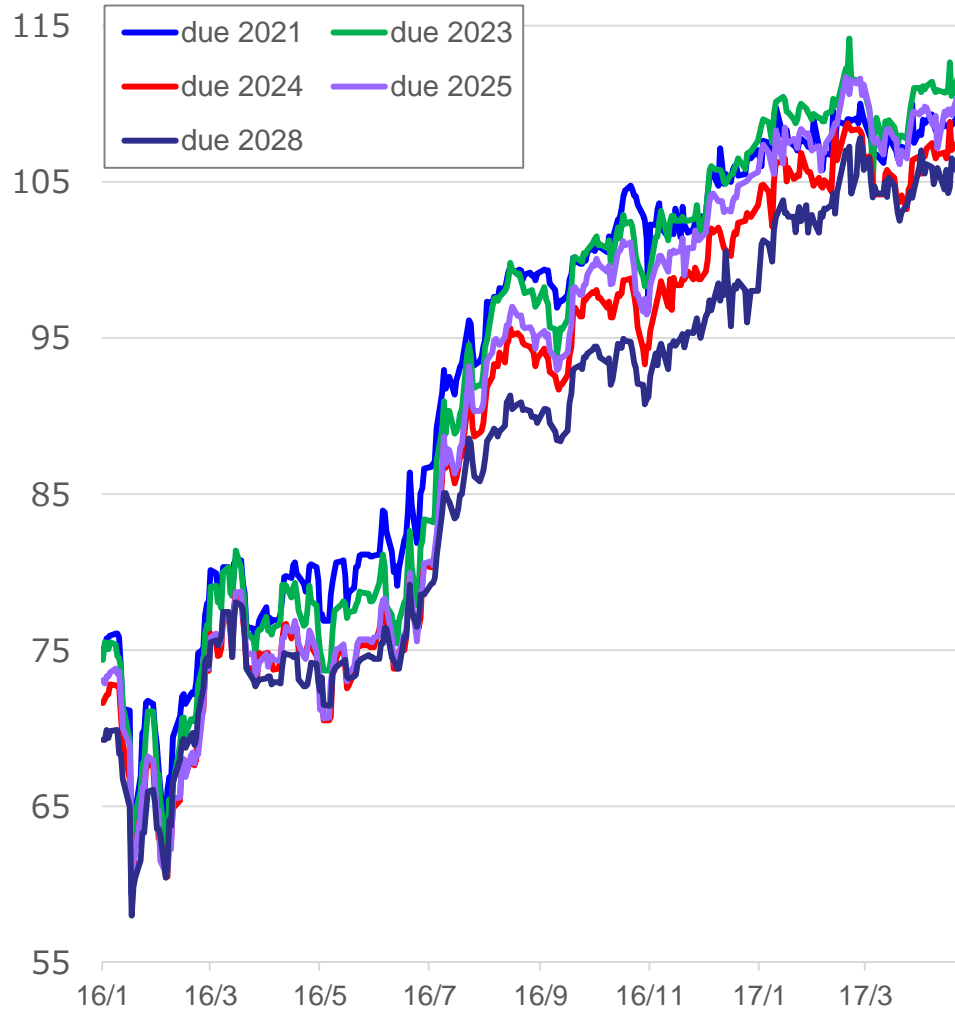
Foreign Currency Denominated Bonds Spread



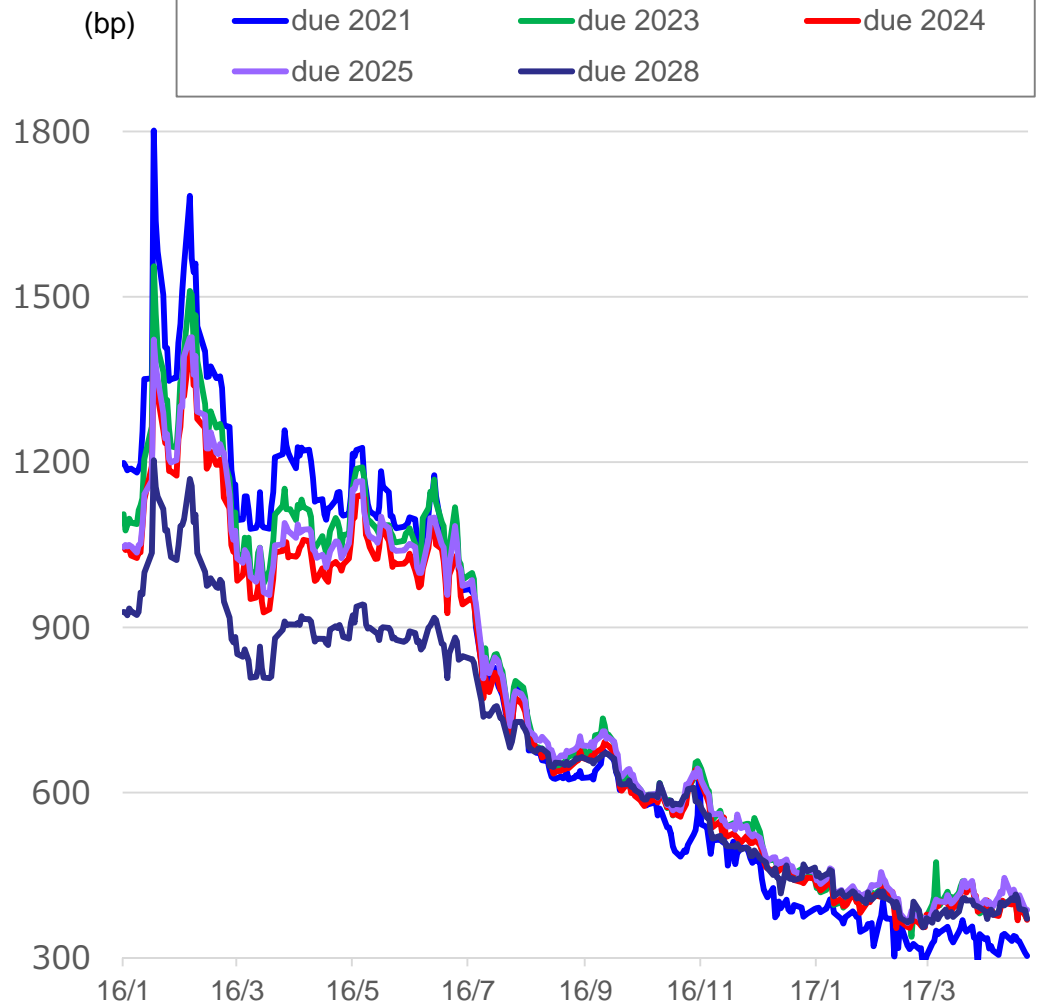
(Source) Created by SoftBank Group based on Bloomberg data

Sprint: Price and Spread

Price of Sprint Senior Notes



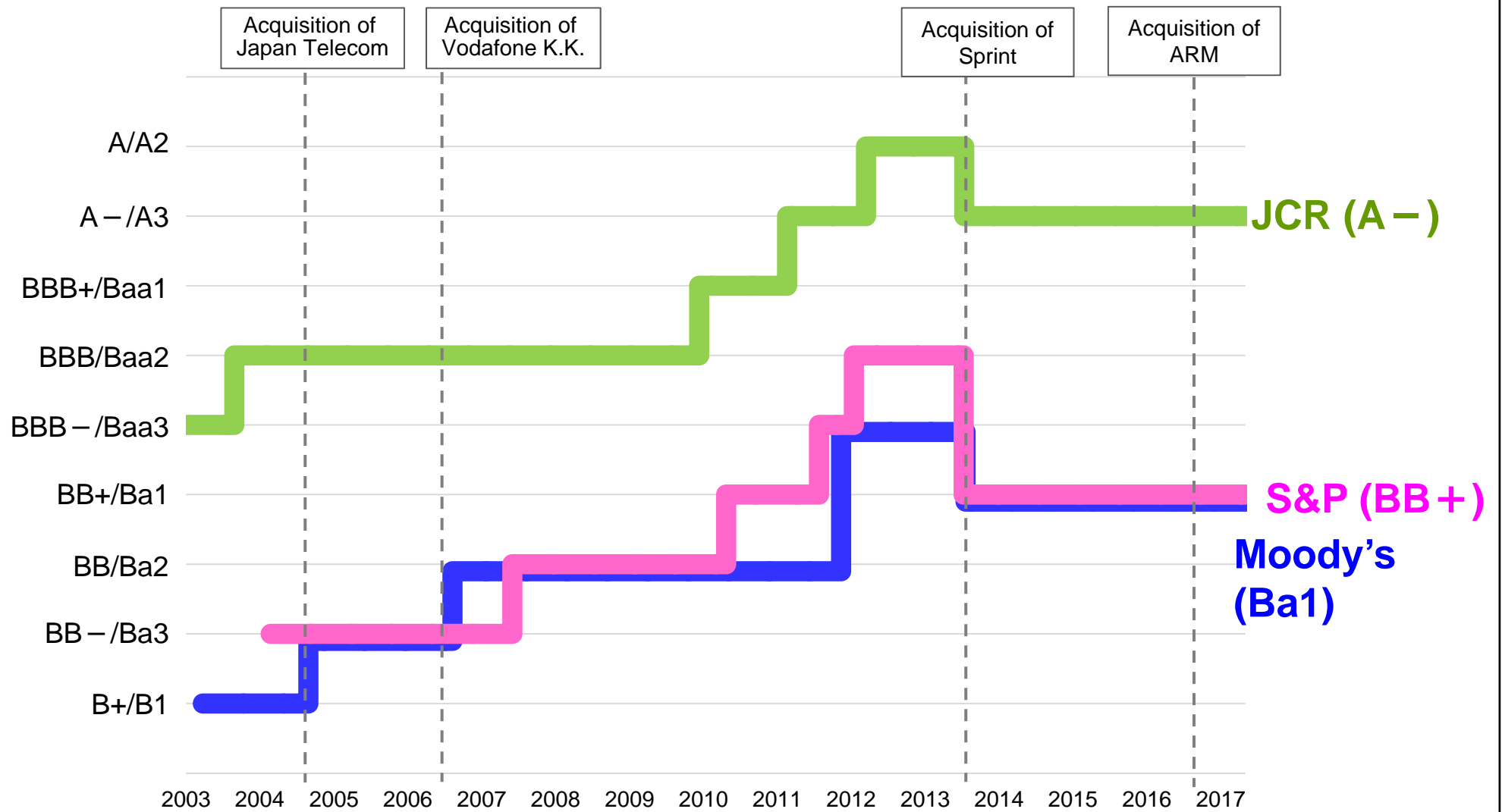
Spread of Sprint Senior Notes



(Source) Created by SoftBank Group based on Bloomberg data

(Source) Created by SoftBank Group based on Bloomberg data

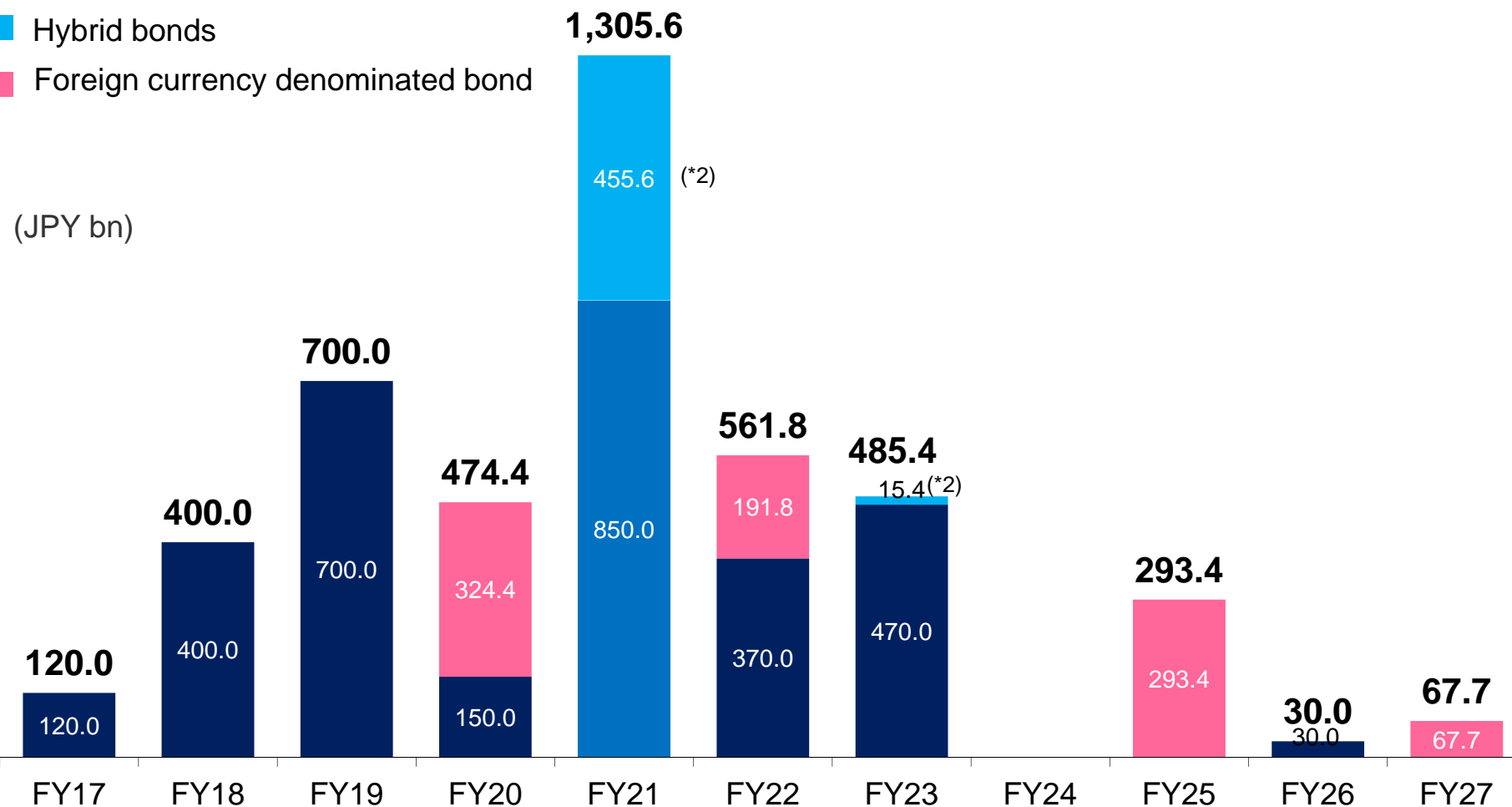
Trend of Credit Rating of SoftBank Group



*Calendar year

SoftBank Group Bond Redemption Schedule

- Straight bond
- Subordinated bond
- Hybrid bonds
- Foreign currency denominated bond

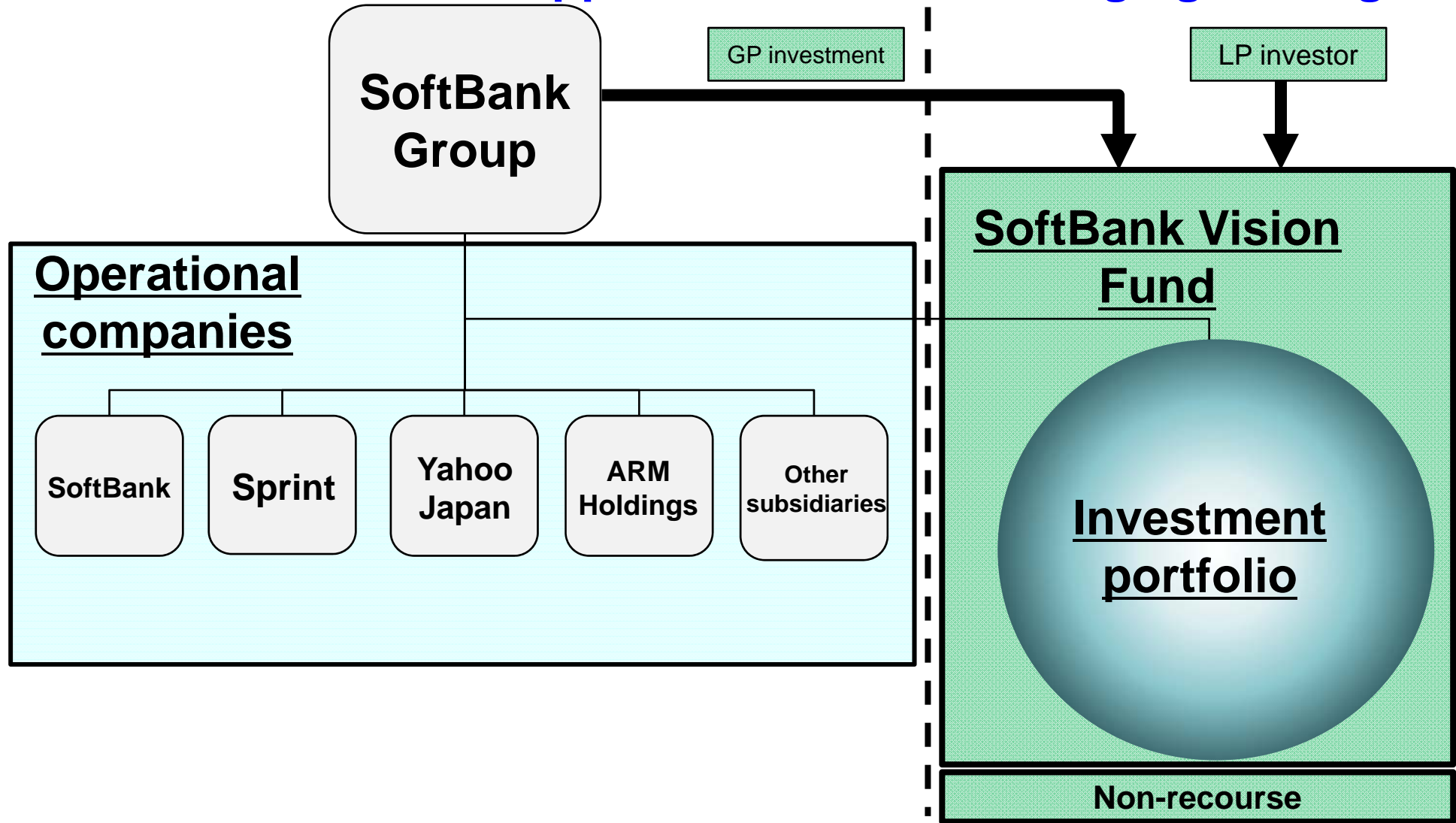


*1. The balance as of Mar. 31, 2017.

*2. In case of early redemption of Hybrid Bonds.

SoftBank Vision Fund Financial Meaning (concept)

Maximize investment opportunities while managing leverage



Balance SoftBank Vision Fund and credit improvement

New investment strategy accelerating enterprise value oriented management - SoftBank Vision Fund

- Maximize investment opportunities while managing leverage
- Visualize mid to long-term investment strategy and investment plans
- Manage SBG and Fund credit separately

Establish finance base to support new investment strategy - credit improvement

- Maximize FCF from subsidiaries and group companies
- Market development enabling diverse procurement methods
- Global BS management

Enhance stakeholder's satisfaction with new financial strategy

- Strong consideration to credit investors and credit ratings
- Enhance satisfaction with disclosure through thorough communication
- From “discount” to “premium”

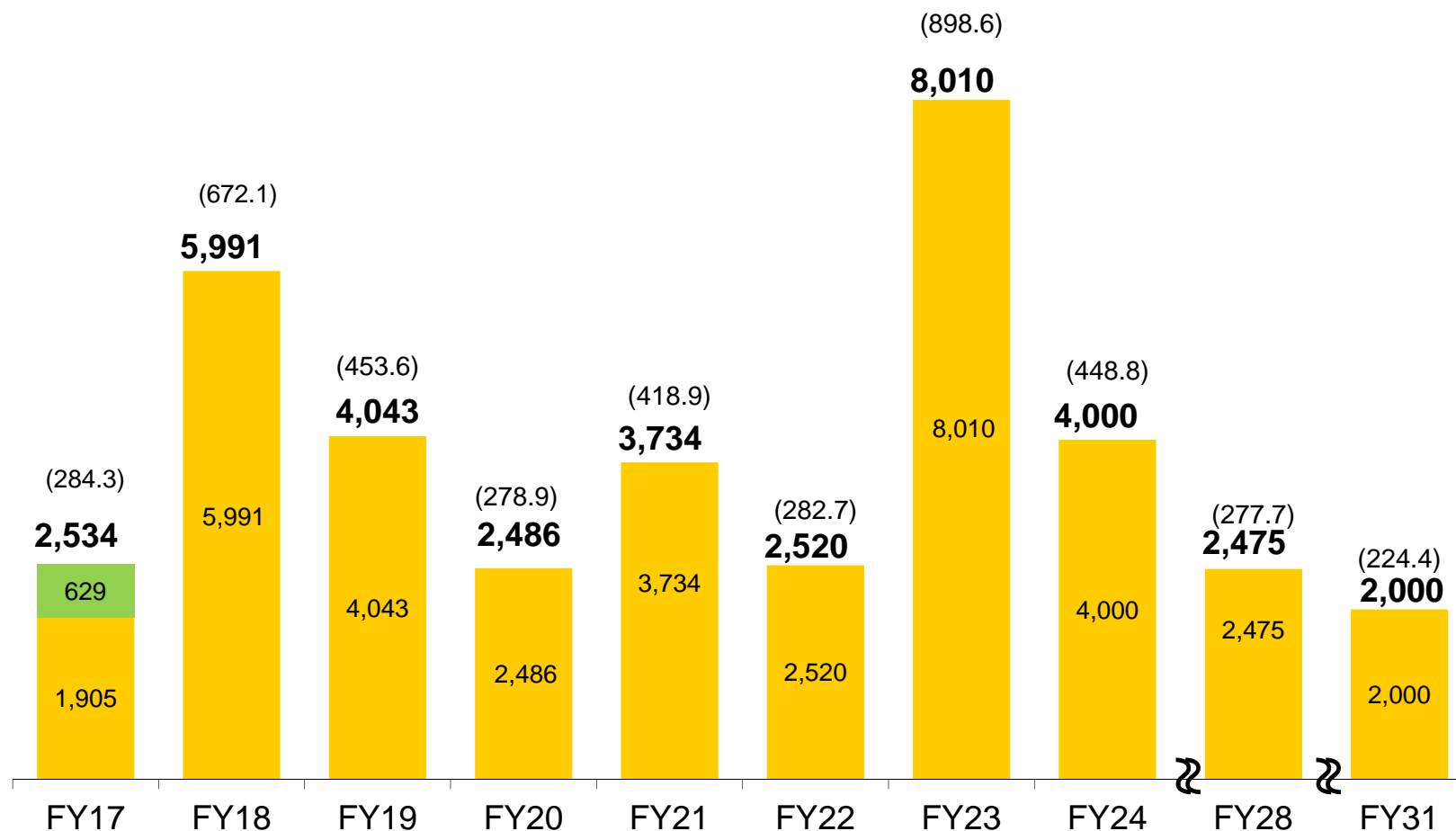
Toward next stage with understanding of stakeholders

(Reference)

Sprint Debt Maturities

<USD mil> JPY bn in ()

- Sprint notes and credit facilities
- Clearwire Notes



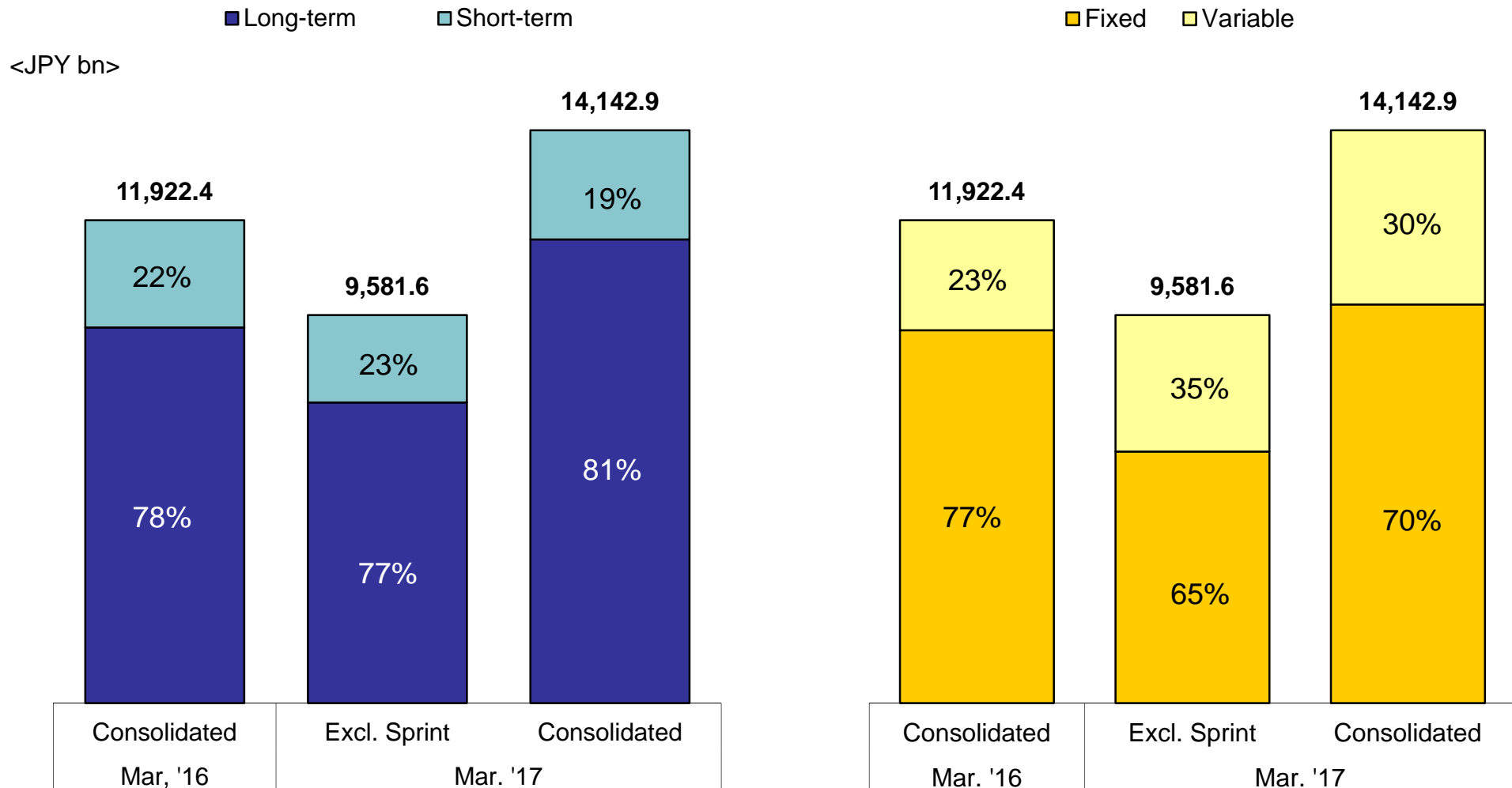
*1 The balance as of Mar. 31, 2017.

*2 USD 1 = JPY 112.19

Change in the Ratio of Long to Short, and Fixed to Variable Interest-bearing Debt

Interest-bearing Debt Long / Short Ratio

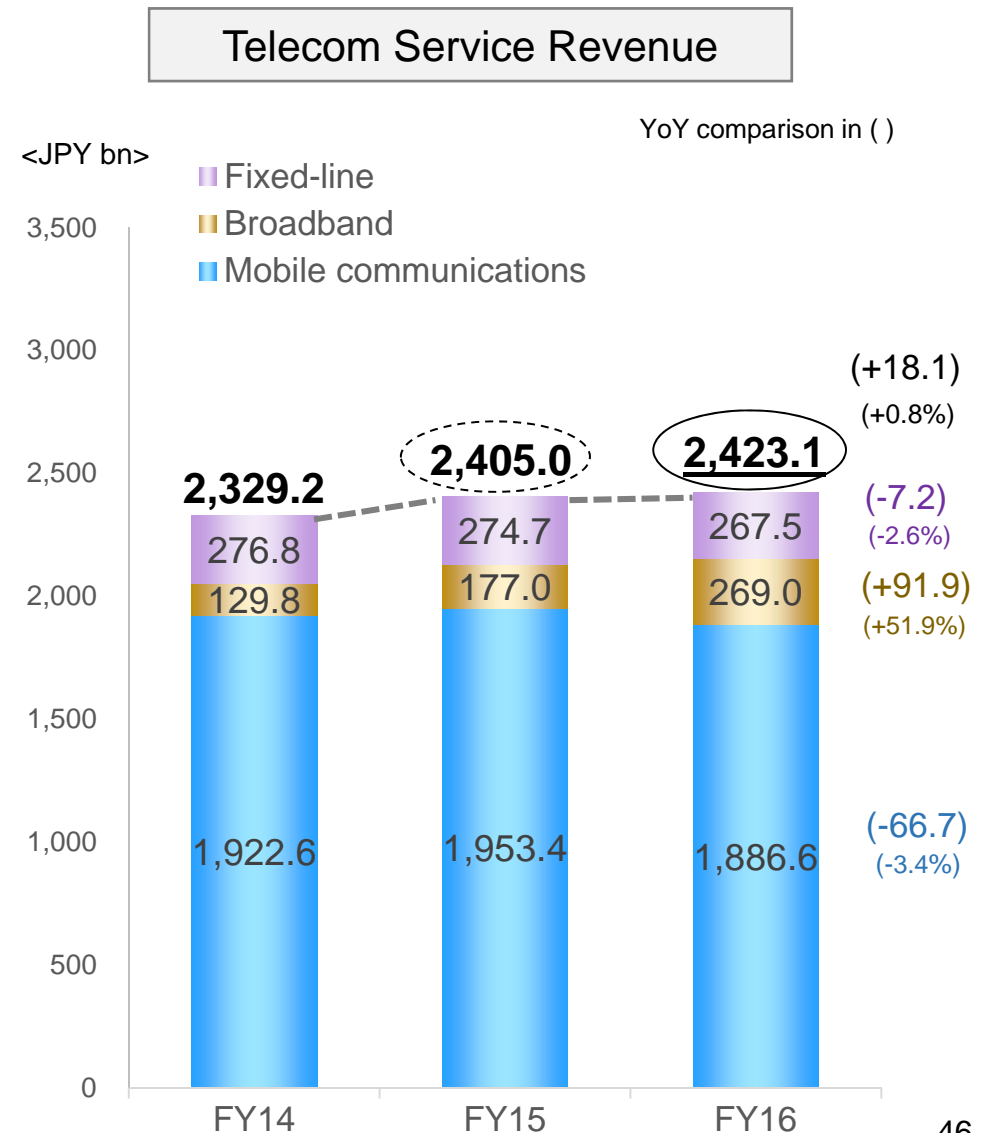
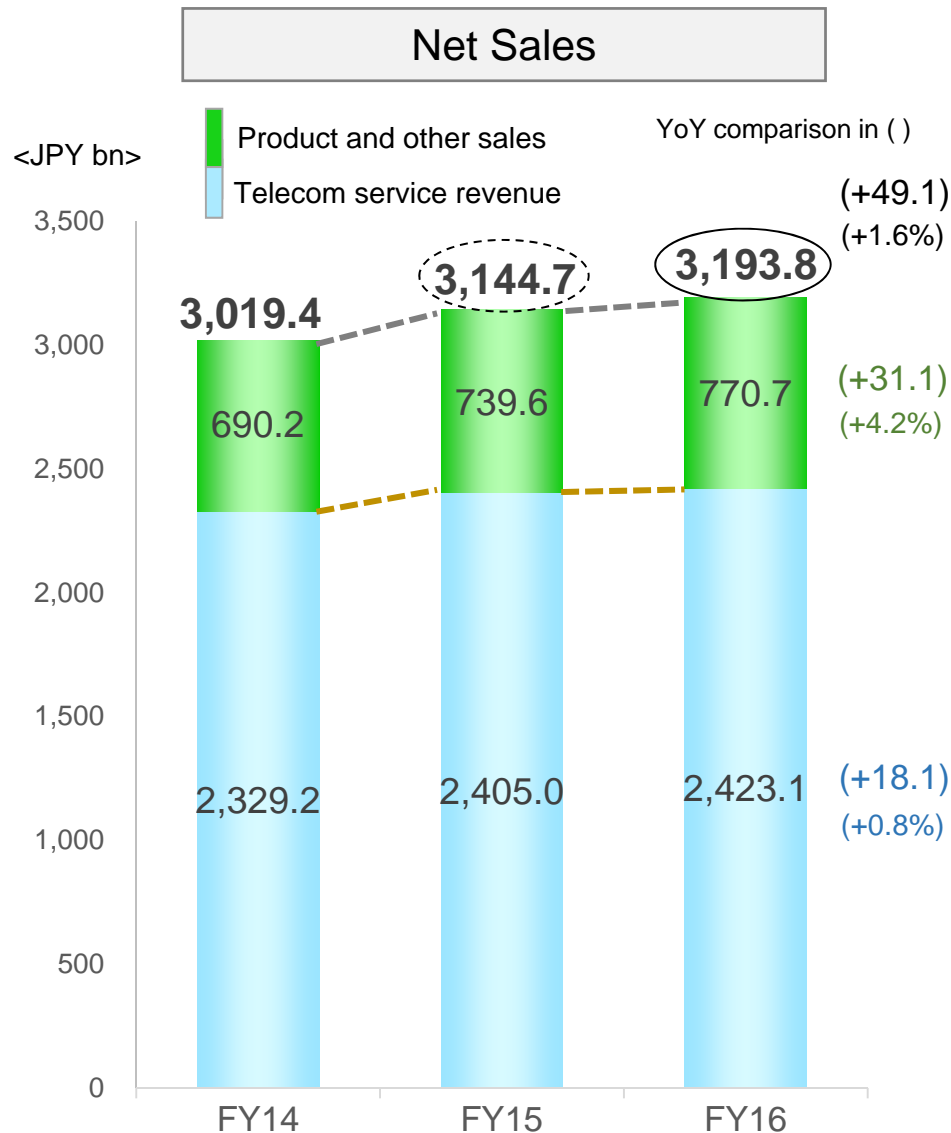
Interest-bearing Debt Fixed / Variable Ratio



Domestic Telecommunications

1. Net Sales

- FY16 sales was approx. JPY 3.2t (YoY JPY 49.1bn increase: telecom revenue +JPY 18.1bn, product and other sales +JPY 31.1bn, YoY respectively).
- Broadband revenue contributed significantly (YoY +JPY 91.9bn).

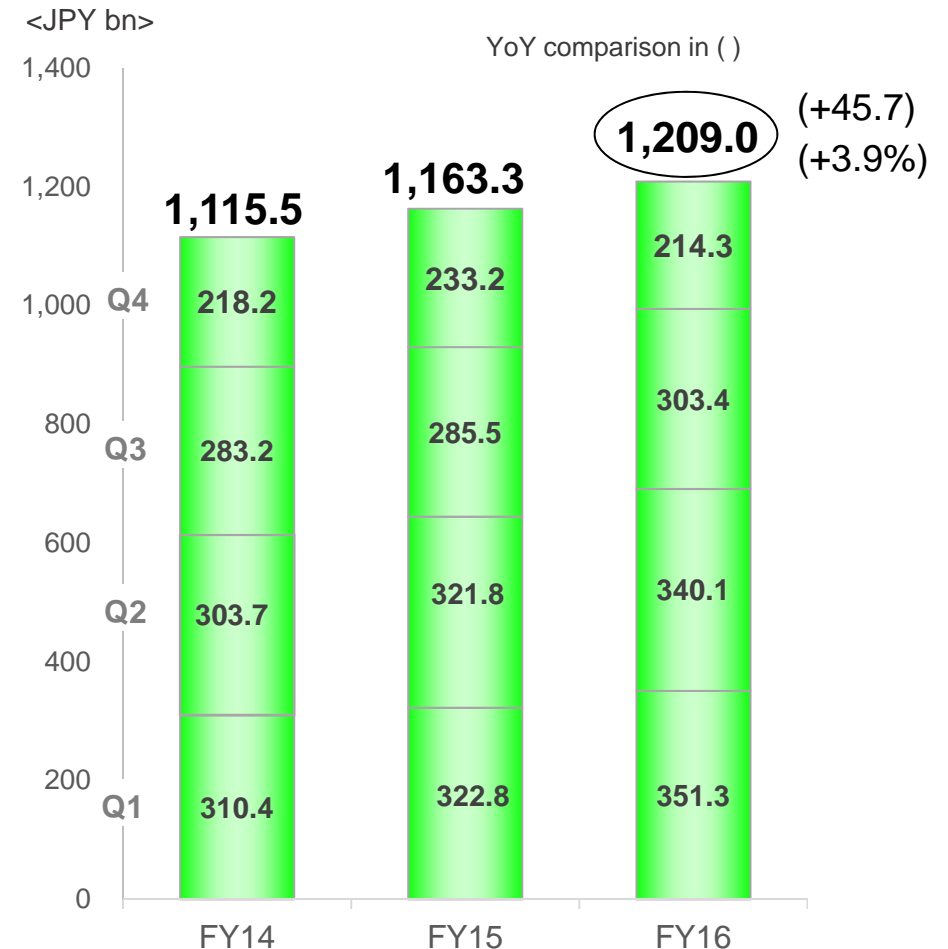
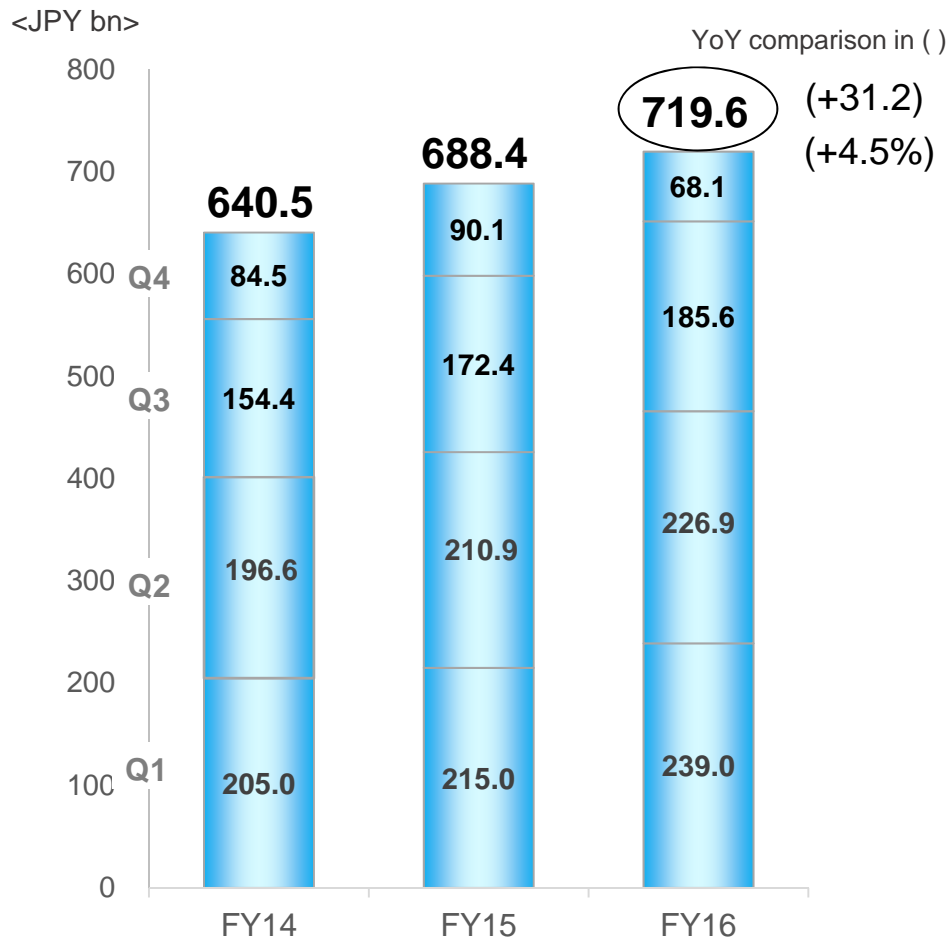


2. Operating Income/Adjusted EBITDA

- FY16 segment income marked JPY 719.6bn, increased by JPY 31.2bn YoY.
- Continuous profit growth for 12 consecutive periods, FY17 aiming for 13.

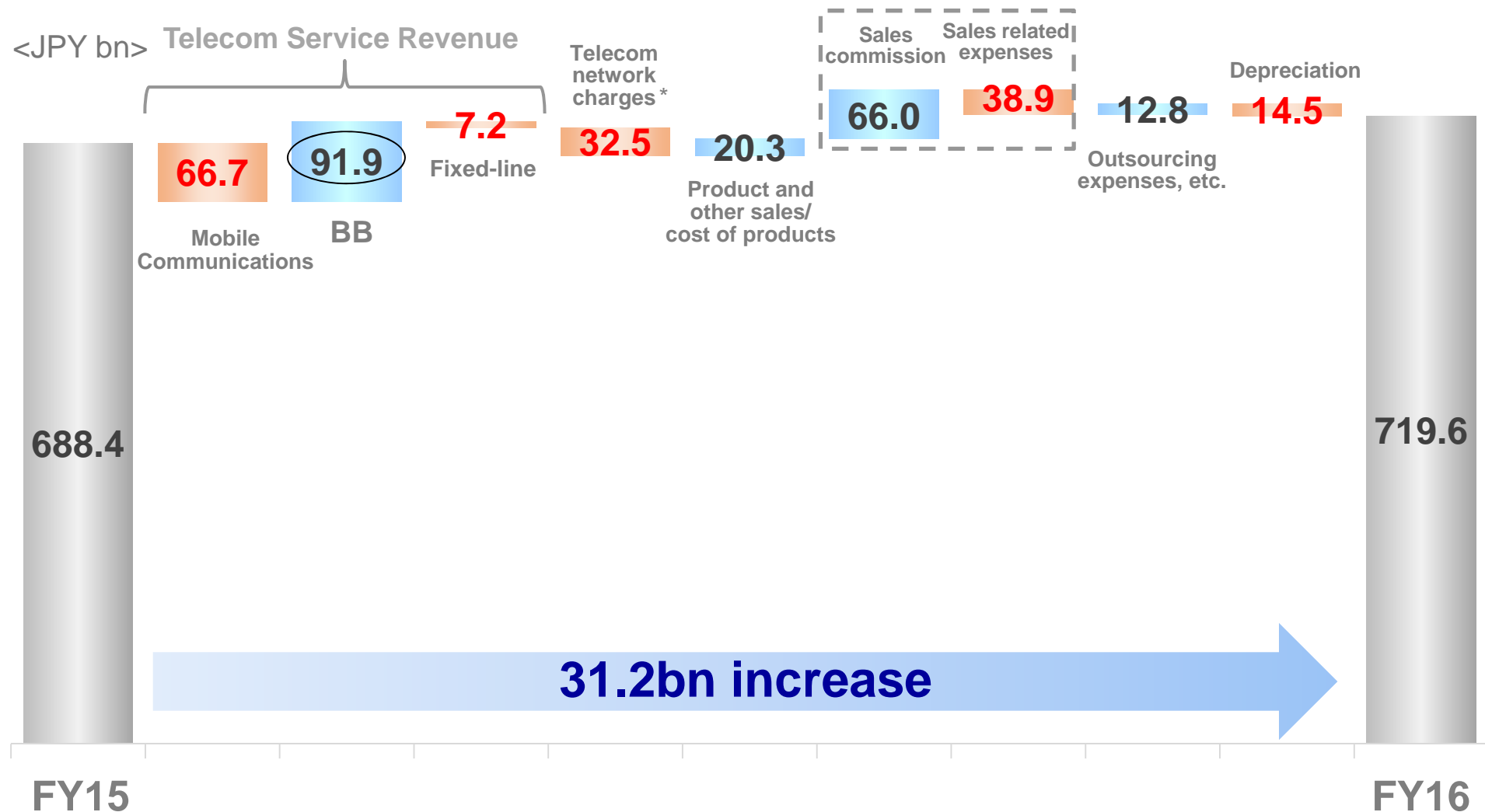
Operating Income/
Segment Income

Adjusted EBITDA



3. Segment Income Analysis

- Broadband drives topline growth, cost reductions contribute to profit growth.
- Mobile communications is decreasing due to increase in *Home Bundle Discount Hikari Set*, impact of *Giga Monster*, decrease in MBB and PHS.



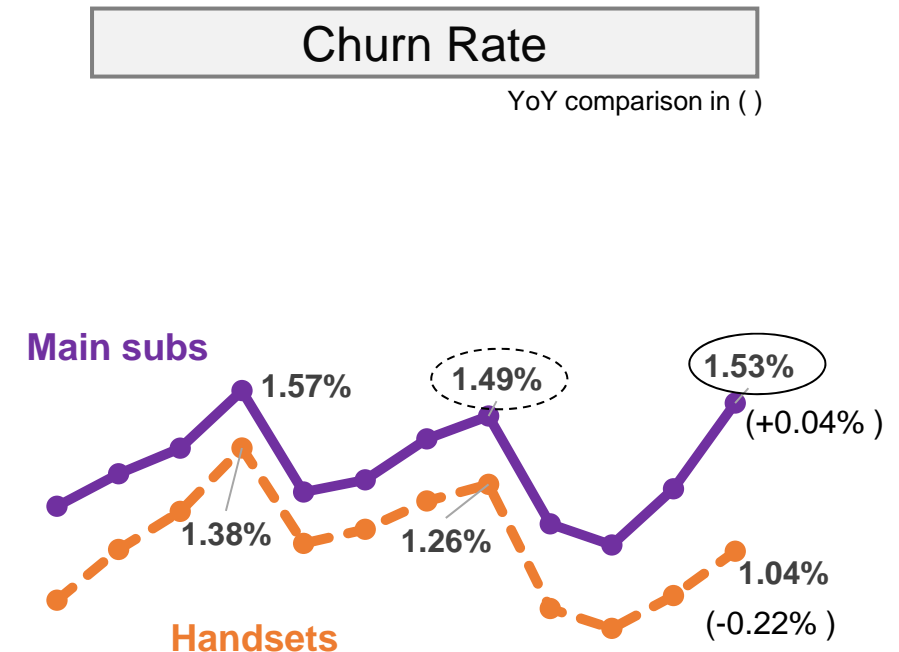
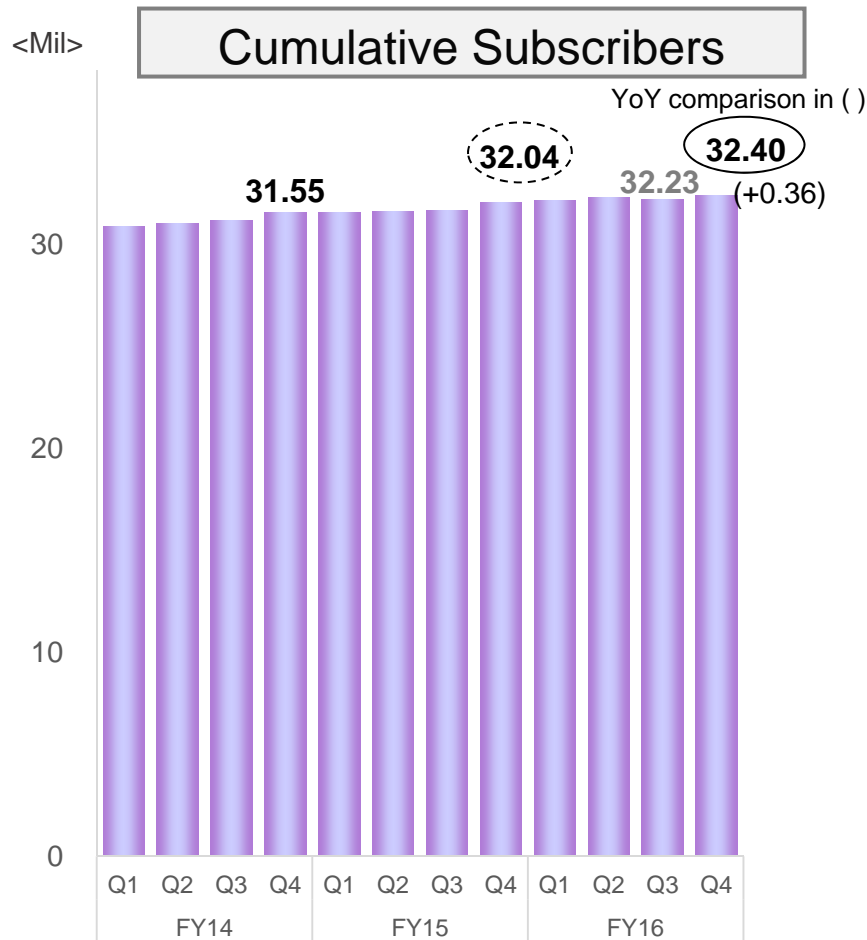
*Mainly due to increase in fiber-optic connection charges for increase in *SoftBank Hikari*.

4. Mobile Communications

Number of Subscribers and Churn Rate (Main Subscribers)

- Subscribers: increased 0.36mil YoY, handsets increased, but decrease in MBB.
- Churn rate: deteriorated by 0.04% YoY, dramatic improvement in handset churn, but deterioration in MBB.

Main subscribers: handsets, tablets, and MBB*



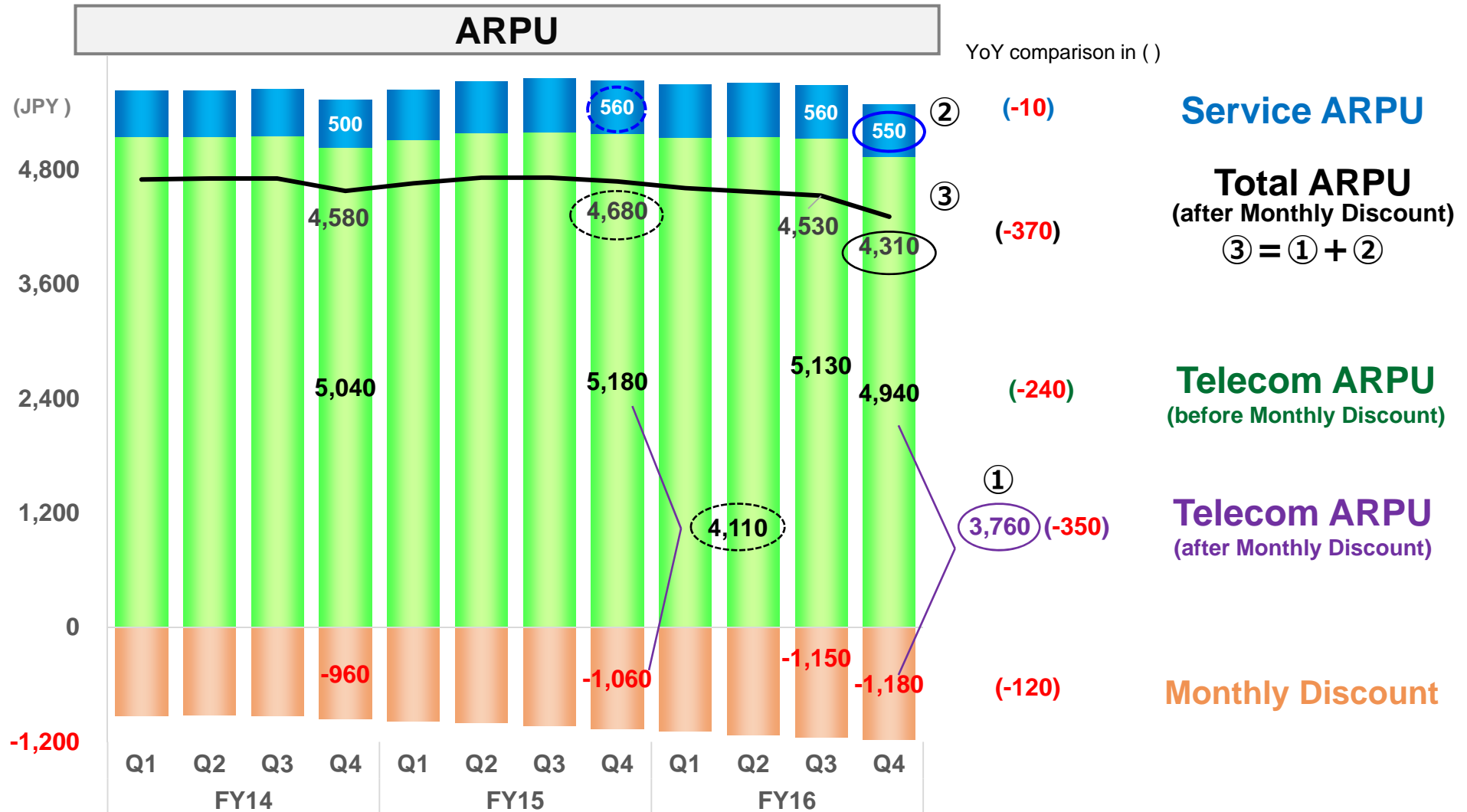
	FY14	FY15	FY16	YoY
Handsets Churn rate (Year)	1.12%	1.16%	0.89%	-0.27%

Quarter	Q1	Q2	Q3	Q4
FY14	Q1	Q2	Q3	Q4
FY15	Q1	Q2	Q3	Q4
FY16	Q1	Q2	Q3	Q4

*For definitions of main subscribers and churn rate, see page 59.

5. ARPU (main subscribers)

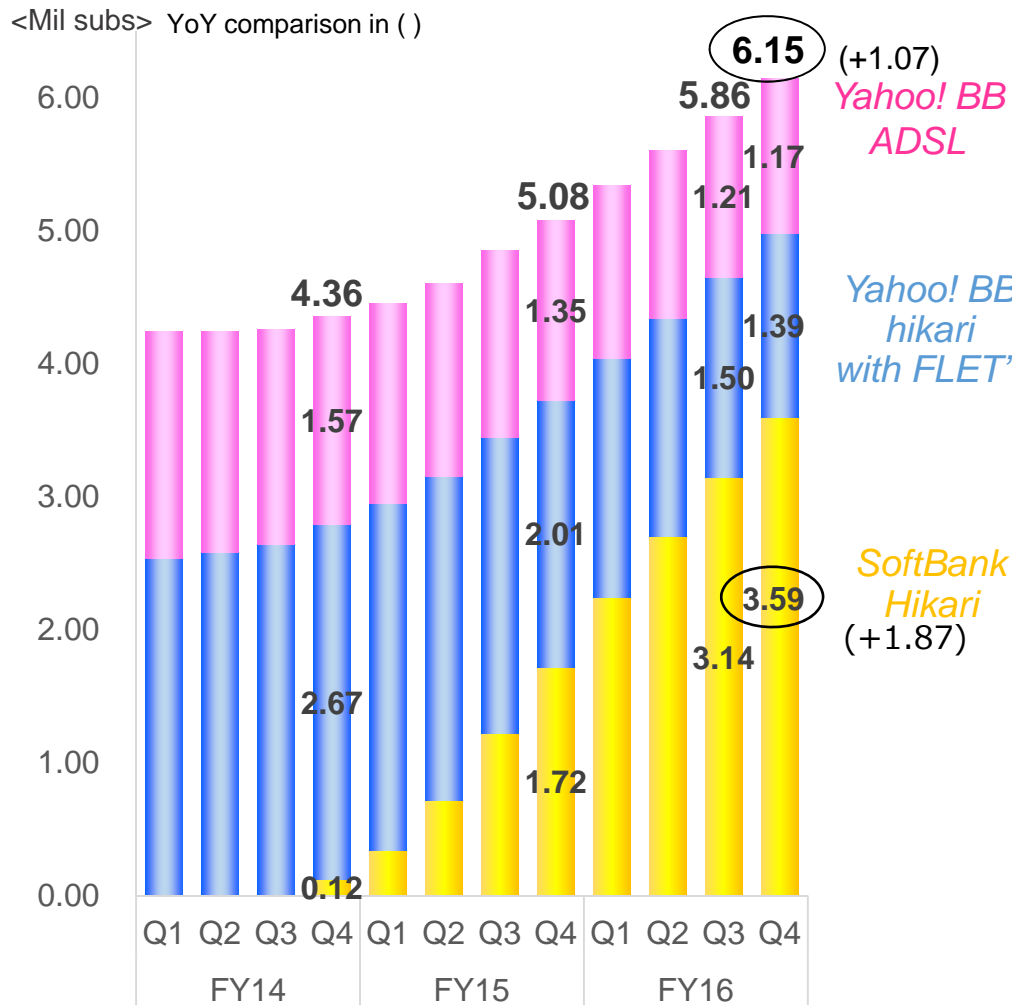
- FY16/Q4 ARPU is decreasing JPY 370 YoY: JPY 140 of that is impact of retroactive payment of access charge.
- Telecom ARPU is decreasing due to growing ratio of *Y!mobile* smartphones and increase in *Home Bundle Discount Hikari Set*.



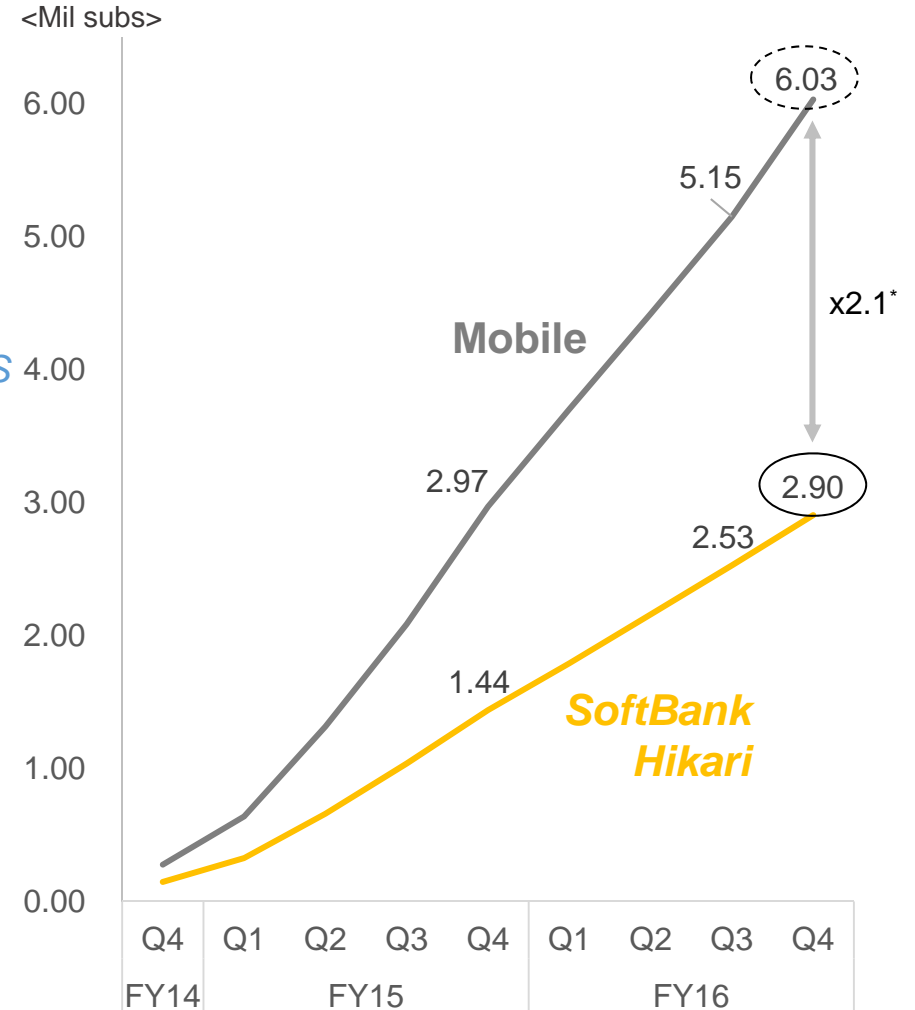
6. Broadband Service

- FY16/Q4 cumulative subscribers of *SoftBank Hikari* at 3.59mil. Steady trend in customer acquisition.
- Cumulative *Home Bundle Discount Hikari Set* subscribers at 6.03 mil, doubled YoY.

Cumulative Subscribers
(number of connected lines)



Cumulative *Home Bundle Discount Hikari Set* Subscribers

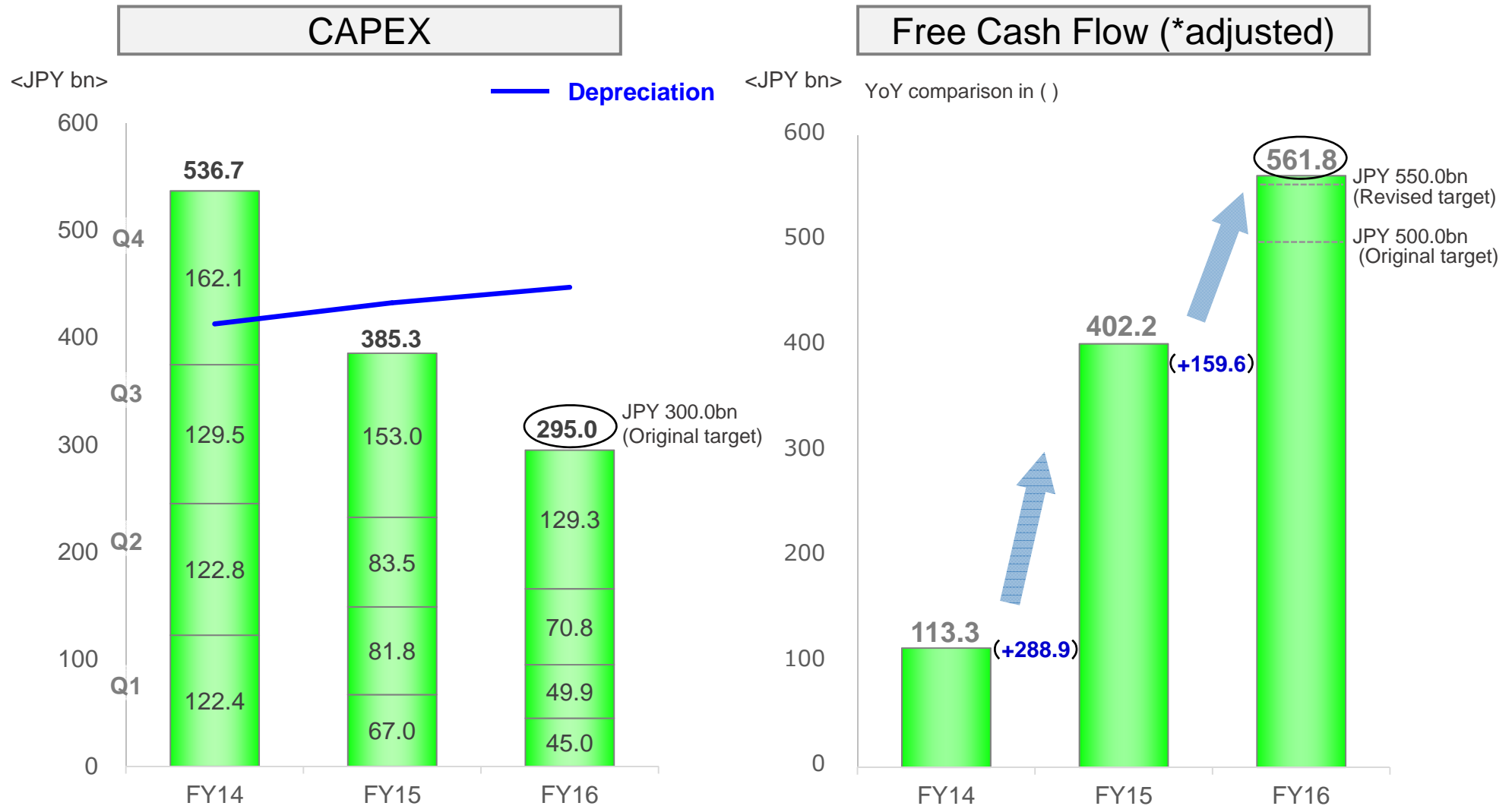


*SoftBank Hikari includes SoftBank Air.

*Mobile lines per SoftBank Hikari contract

7. CAPEX / Free Cash Flow

- FY16 CAPEX is approx. JPY 295.0bn. Plan to increase in FY17.
- FY2016 FCF marked JPY 561.8bn, increased by JPY 159.6bn YoY. Expect FY17 to be at same level as FY16.

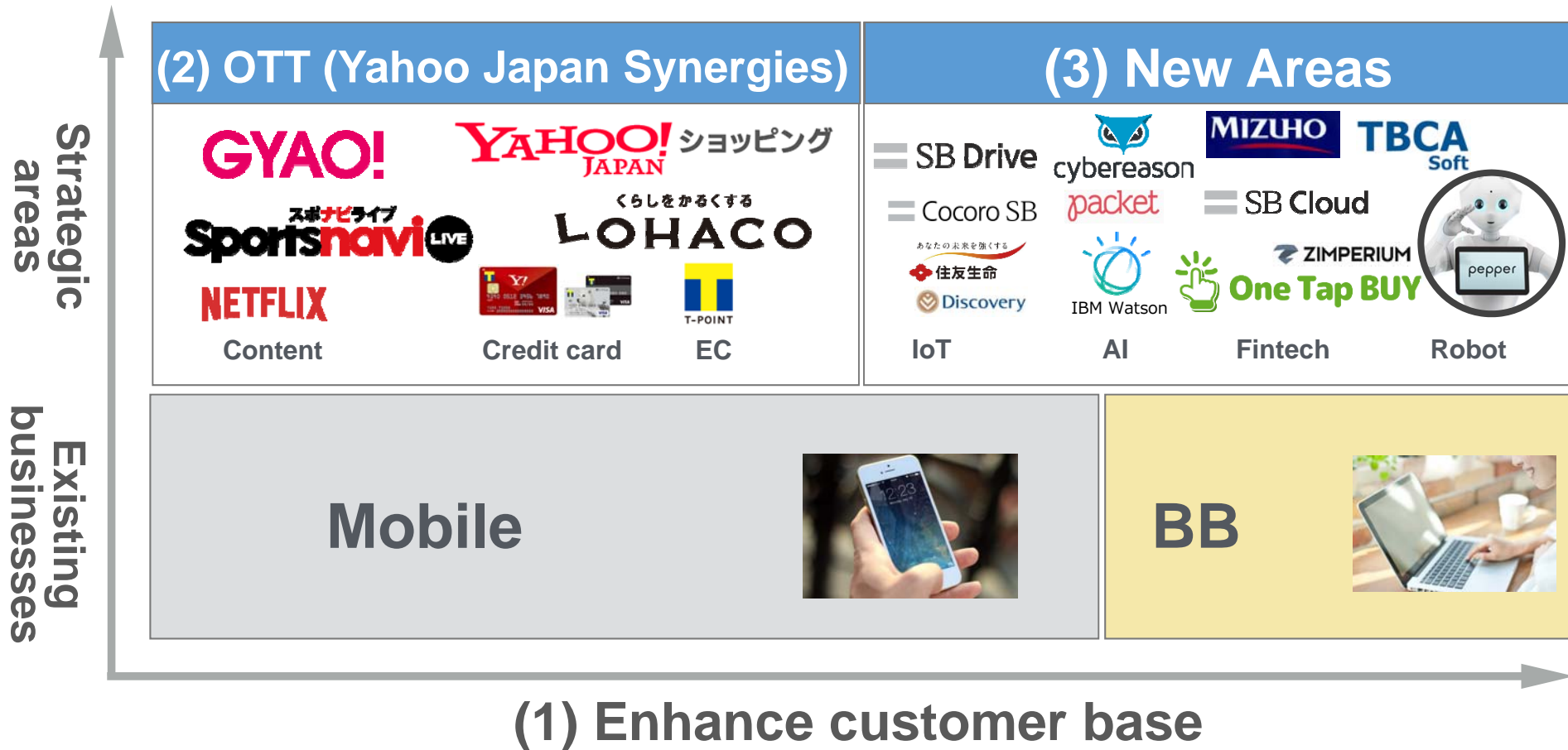


*Acceptance basis. Includes disposal excluding rental handsets and amortization of customer relationships.

*Excluding internal transactions between SoftBank Group and SoftBank

8. Growth Strategy

- Enhance customer base
- OTT (synergies with *Yahoo! Japan*) / expansion of new areas



8. Growth Strategy -1. Enhance Customer Base

Promoting 2 brands marketing

SoftBank : Promote differentiation / focus on upfront investment in FY2017

Discount with FTTH services



Max. discount JPY 2,000/month^{*1}

Large data plan



20GB JPY 6,000/month^{*2}
63% OFF^{*3}

Synergies with YJ / Long-time use benefits etc.



JPY 15,000 worth of points
(Long-time use benefits)^{*4}

Y!mobile : cost conscious / steady

*1 When subscribing to Data Flat-rate Pack - Large (30GB) under the *Home Discount Hikari Set - More Campaign*.

*2 Data flat-rate plan. (*Giga Monster* is not subject to speed restrictions in 3 days).

*3 Discount ratio from Data Flat-rate Pack - Large (20GB) (JPY 16,000/month), offered before introduction of the the *Giga Monster* plan.

*4 T-Points which can be used during a fixed time interval on *Yahoo! Shopping* or other *Yahoo! JAPAN* services.

8. Growth Strategy -2. OTT (Synergies with *Yahoo! Japan*)

- Continuation of the campaign. Pursue expansion of EC transaction volume through smart login.

Yahoo! Shopping

YAHOO! ショッピング
JAPAN



SoftBank smartphone users get
10x points everyday

*Start from February 2017.

*Requires smart log-in setting.

8. Growth Strategy -2. OTT (Synergies with *Yahoo! Japan*)

- All SoftBank smartphone users can get unlimited use of *Yahoo! Premium* benefits for free. (Basic *Yahoo! Premium* monthly charge: ¥500/month)

Yahoo! Premium

YAHOO! プレミアム
JAPAN

**Unlimited use
of benefits**



SoftBank (SoftBank smartphone users)

*Requires Smart Login setting.

*No change in smartphone price plan and monthly fees

*Scheduled to start from June 1, 2017.

8. Growth Strategy -3. New Areas

Create growth opportunities through smartphones & FTTH



(Reference) Domestic Telecommunications Segment Breakdown of Net Sales

<JPY bn>

	FY2015					FY2016				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Total net sales	722.6	785.5	833.9	802.7	3,144.7	761.8	792.8	846.1	793.1	3,193.8
Telecom service revenue	586.9	599.9	606.2	612.1	2,405.0	605.8	609.5	613/5	594.3	2,323.1
Mobile communications	482.7	488.7	492.0	490.0	1,953.4	480.1	478.1	476.1	452.4	1,886.6
Telecom	429.6	434.7	435.8	431.8	1,732.0	422.0	420.1	419.3	396.2	1,657.6
Service	53.1	54.0	56.1	58.2	221.4	58.1	58.0	56.8	56.1	229.0
Broadband	37.2	42.1	45.0	52.7	177.0	59.2	64.6	70.9	74.2	269.0
Fixed-line telecommunications	66.9	69.1	69.3	69.4	274.7	66.4	66.8	66.5	67.7	267.5
Product and other sales	135.7	185.6	227.7	190.6	739.6	156.0	183.3	232.6	198.8	770.7

Definition and Calculation Method of Main Operational Data

<Mobile Communications Service>

1. Subscribers

Main subscribers: smartphones (*1), feature phones, tablets, mobile data communications devices (*2), others,
Communication modules: communication modules (*3), *Mimamori Phone*, prepaid mobile phones, others
PHS: PHS

*1 Smartphones to which the *Smartphone Family Discount* are applied are included under communication modules.

*2 Mobile data communication devices to which the *Data Card 2-Year Special Discount* are applied are included under communication modules.

*3 Communication modules that use PHS networks are included under PHS.

2. ARPU

ARPU: Average Revenue Per User per month

Total ARPU = (data-related revenue + basic monthly charge and voice-related revenues + device warrantee services + content-related revenues + advertising revenue, etc.) / number of active subscribers (rounded to the nearest JPY 10)

Telecom ARPU = (data-related revenue (packet communication and flat-rate charges, basic monthly Internet connection charges etc.) + basic monthly charge and voice-related revenues (basic monthly usage charges, voice call charges, revenues from incoming calls, etc.)) / number of active subscribers (rounded to the nearest JPY 10)

Service ARPU = (device warrantee services, content-related revenues, advertising revenue, etc.) / number of active subscribers (rounded to the nearest JPY 10)

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period

((subscribers at the beginning of the month + subscribers at the end of the month) / 2)

Revenues from incoming calls: interconnection charges received from other operators for voice calls from their customers on their network to *SoftBank* and *Y!mobile* phones as a charge for the services provided in the *SoftBank Corp.* service area.

Monthly Discount includes the discount amount of the "*Home Bundle Discount Hikari Set*"

3. Churn rate

Churn rate: average monthly churn rate (rounded to the nearest 0.01%)

Churn rate (handsets) : churn rate for smartphones and feature phones within main subscribers. Includes voice SIM subscriptions.

Churn rate = number of churn / number of active subscribers for the relevant period.

Number of churn excludes the number of subscribers who switch between *SoftBank* and *Y!mobile* using Mobile Number Portability (MNP).

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period

((subscribers at the beginning of the month + subscribers at the end of the month) / 2)

4. Home Bundle Discount Hikari Set

The cumulative applications for the "*Home Bundle Discount Hikari Set*" includes subscribers for *Fiber-optic Discount* applied to *Y!mobile* brand mobile communications services.

The number of eligible applications for the "*Smartphone & Internet Bundle Discount*" includes that of fiber-optic lines as long as the relevant discount is applied to the associated mobile communications services, even if its connection construction is not complete at the central office of NTT East and NTT West.

<Broadband Service>

Subscribers

SoftBank Hikari subscribers: number of users for which physical connection of a fiber-optic line at the central office of NTT East or NTT West is complete.
Includes the number of subscribers to *SoftBank Air*.

Yahoo! BB hikari with FLET'S subscribers: number of users of *Yahoo! BB hikari with FLET'S* for which physical connection of a fiber-optic line at the central office of NTT East or NTT West is complete and who are provided with services

Yahoo! BB ADSL subscribers: Number of users of *Yahoo! BB ADSL* for which physical connection of an ADSL line at the central office of NTT East or NTT West is complete.

Sprint



Fiscal 4Q16 Results
SoftBank Investor Briefing

May 12, 2017

Cautionary Statement



SAFE HARBOR

This release includes “forward-looking statements” within the meaning of the securities laws. The words “may,” “could,” “should,” “estimate,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “target,” “plan”, “outlook,” “providing guidance,” and similar expressions are intended to identify information that is not historical in nature. All statements that address operating performance, or developments that we expect or anticipate will occur in the future — including statements relating to our network, cost reductions, connections growth, and liquidity; and statements expressing general views about future operating results — are forward-looking statements. Forward-looking statements are estimates and projections reflecting management’s judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. With respect to these forward-looking statements, management has made assumptions regarding, among other things, the development and deployment of new technologies and services; efficiencies and cost savings of new and services; customer and network usage; connection growth and retention; service, speed, coverage and quality; availability of devices; availability of various financings, including any leasing transactions; the timing of various events and the economic environment. Sprint believes these forward-looking statements are reasonable; however, you should not place undue reliance on forward-looking which are based on current expectations and speak only as of the date when made. Sprint undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our company’s historical experience and our present expectations or projections. Factors that might cause such differences include, but are not limited to, those discussed in Sprint Corporation’s Annual Report on Form 10-K for the fiscal year ended March 31, 2016, and, when filed, its Annual Report on Form 10-K for the fiscal year ended March 31, 2017. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

Fiscal Year 2016 Highlights



Net Operating Revenues

Grew

year-over-year for the first time in 3 years



Operating Expenses

\$2.1B

of year-over-year reductions in CoS and SG&A



Adjusted EBITDA* **Highest** in 9 years

Operating Income **Highest** in 10 years

Adjusted Free Cash Flow*



Positive

Postpaid Phone Net Adds^



more than doubled year-over-year

Network

Performing at **Best Ever** levels as recognized by third parties

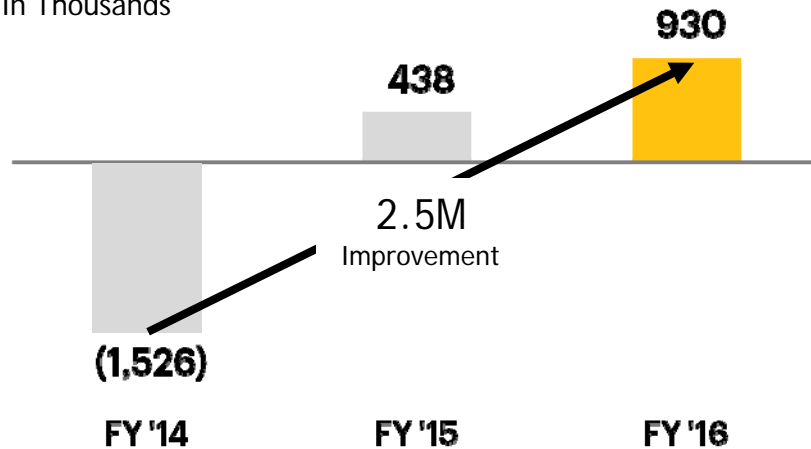


^ indicates results specific to Sprint Platform

Growing Connections



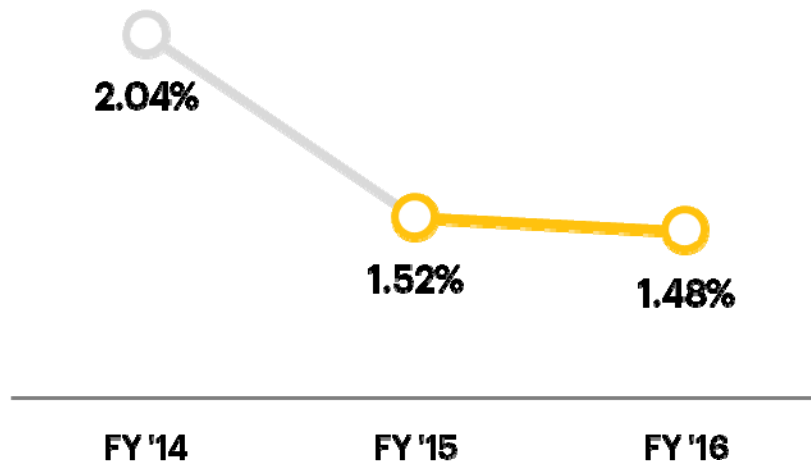
Postpaid Phone Net Adds[^]
In Thousands



Postpaid Phone Net Adds[^]

More than
DOUBLE
year-over-year

Postpaid Phone Churn[^]



Postpaid Phone Churn[^]

BEST
in Sprint History

[^] indicates results specific to Sprint Platform

Enhancing Our Value Proposition



Unlimited Freedom



Sprint Global Roaming Service is the **BEST Choice for Traveling Abroad**

Stay connected via voice, text and data services while traveling!

Connect in more than **200 destinations around the world** ...everywhere Sprint has service.



Seamless **Service**



Extensive **Footprint**



Worry Free and Affordable **Options**



Straightforward High-Speed **Offers**

Expanding Distribution



Network at Best Ever Levels



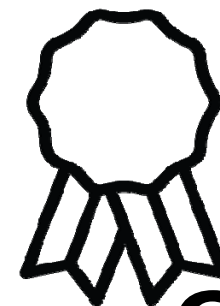
RELIABILITY



LTE Plus

**More spectrum.
Better network.**

Our best ever



Network Awards¹

Up over
30%
year-over-year



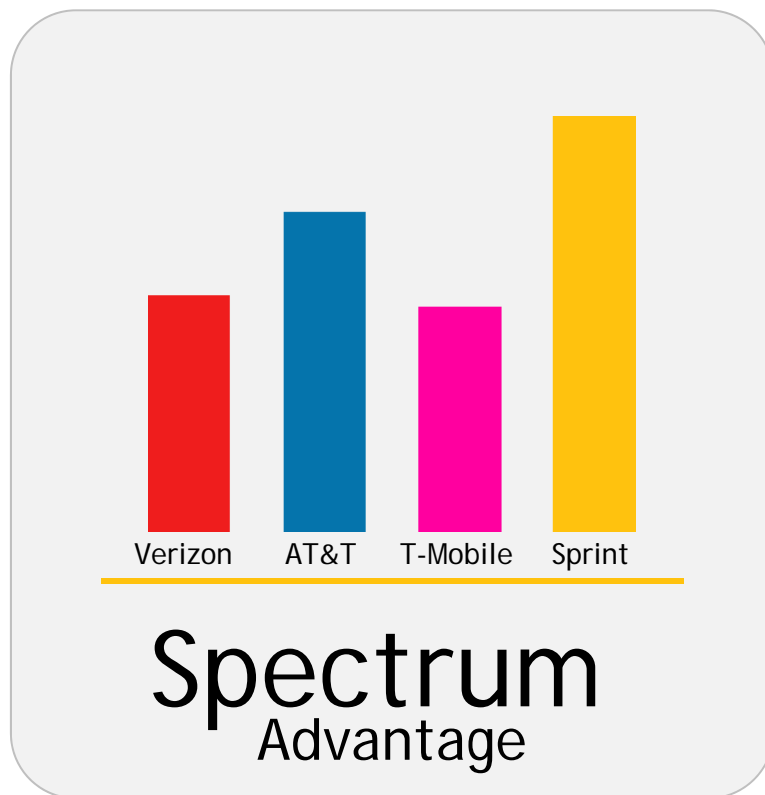
Small Cells

Carrier Aggregation



1-Rankings based on RootMetrics Metro RootScore Reports from 1H 2016, 2H 2016, and 1H 2017 and, National RootScore Report from 2H 2016 for mobile performance as tested on best available plans and devices on four mobile networks across all available network types. Your experiences may vary. The RootMetrics award is not an endorsement of Sprint. Visit www.rootmetrics.com for more details.

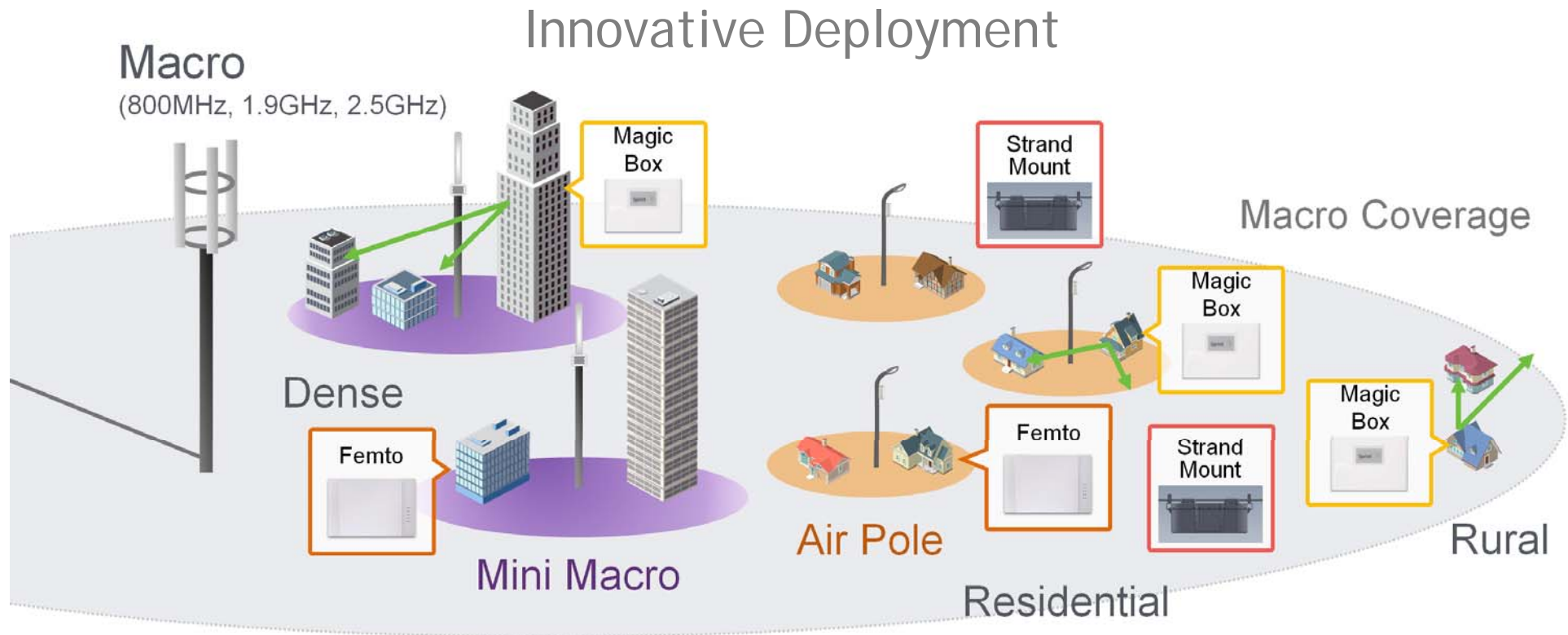
LTE Key to Success



+



Sprint's Toolbox in Action



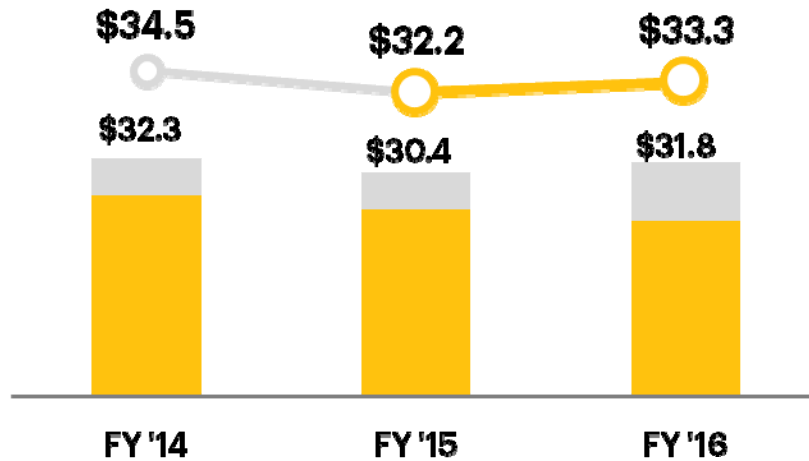
Millions of Small Cells

Growing Revenue



Net Operating Revenue
In Billions

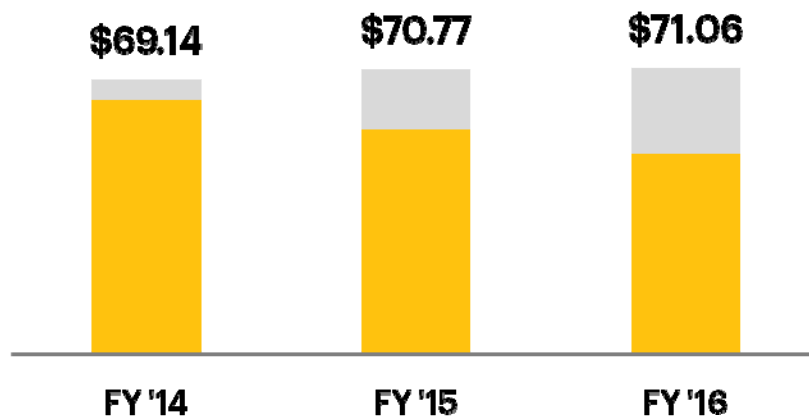
■ Wireless Equip Rev
■ Wireless Service Rev
○ Consolidated Net Operating Rev



Consolidated Net Operating REVENUES GREW year-over-year for the first time in 3 years

Postpaid Phone Avg Billings Per User (ABPU)^{^*}

■ Equip
■ Service



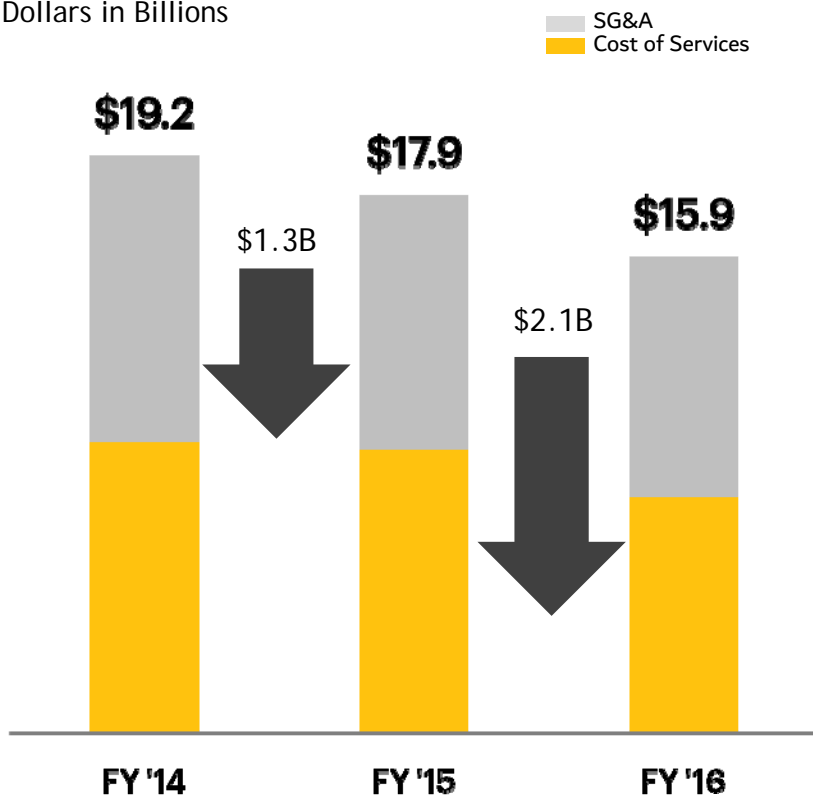
Postpaid Phone ABPU^{^*} Increased year-over-year

^{^*} indicates results specific to Sprint Platform

Reducing Operating Expenses



Cost of Services + SG&A
Dollars in Billions

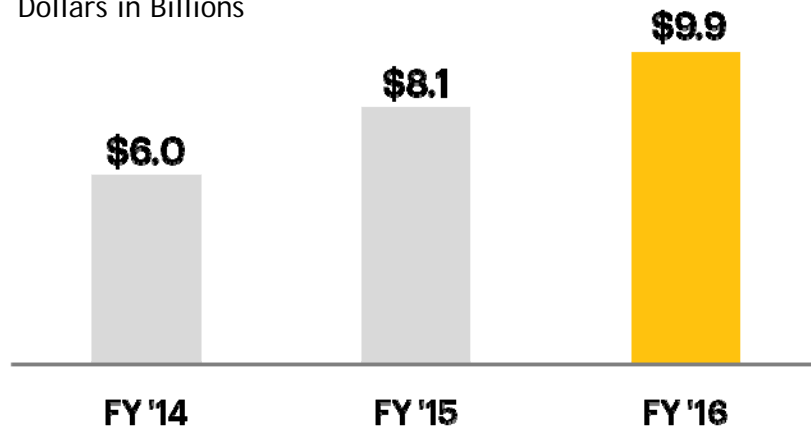


\$3.4B
Cumulative
REDUCTION
in CoS and SG&A

Improving Profitability



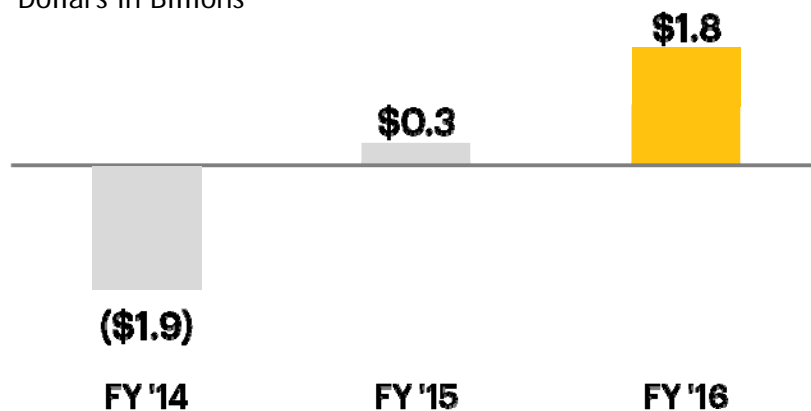
Adjusted EBITDA*
Dollars in Billions



Adjusted EBITDA*

HIGHEST
in nine years

Operating Income (Loss)
Dollars in Billions



Operating Income

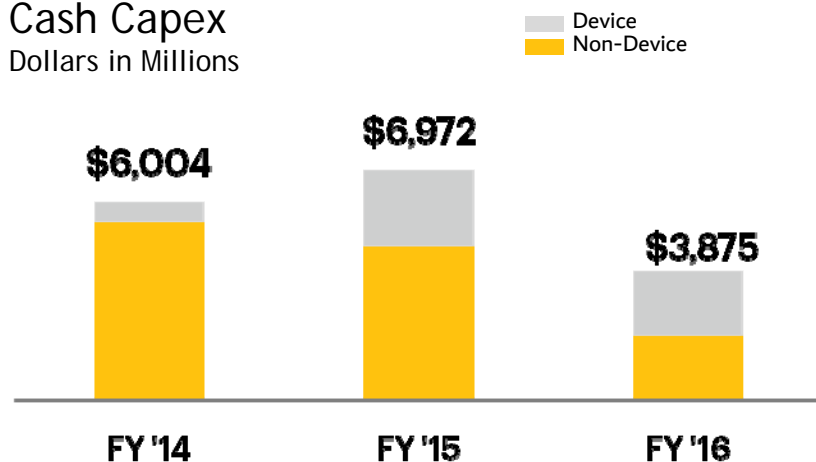
HIGHEST
in ten years

Up nearly
6x year-over-year

Capex / Adjusted Free Cash Flow*



Cash Capex
Dollars in Millions

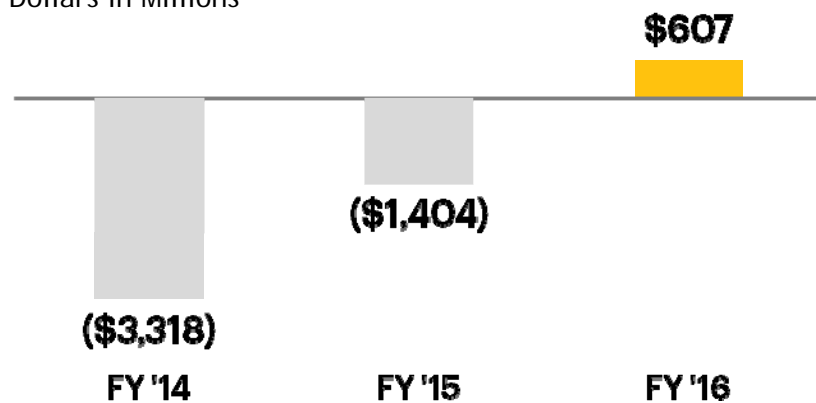


Cash Capex

Capital Efficiency

- ✓ Software driven capacity
- ✓ Surgical small cell deployment

Adjusted Free Cash Flow*
Dollars in Millions

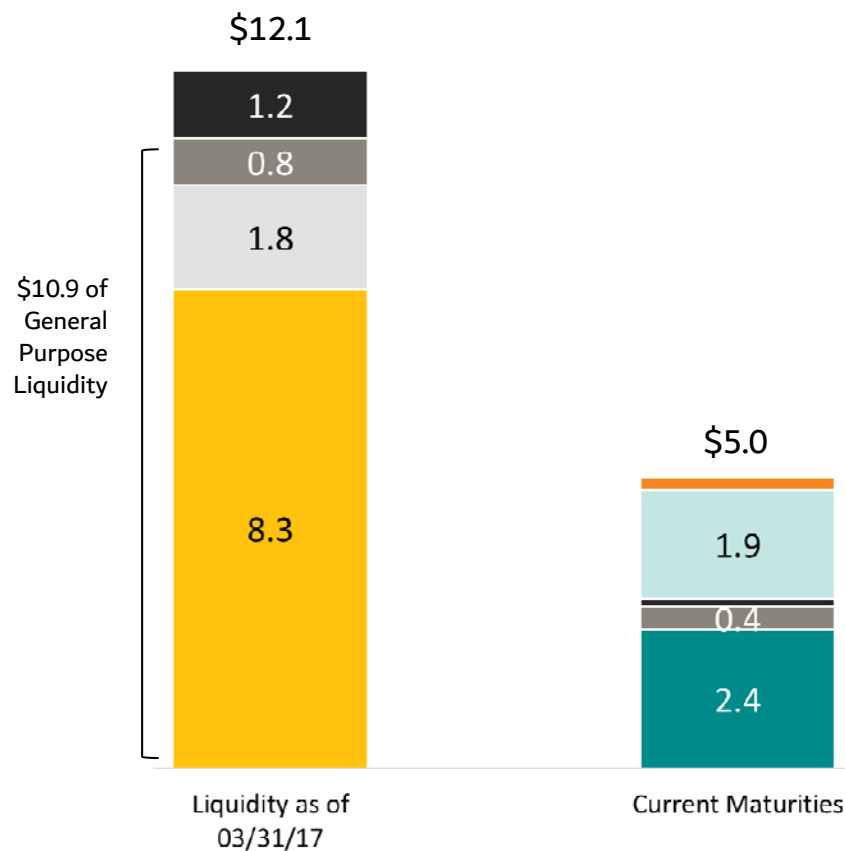


Adjusted Free Cash Flow*

POSITIVE

in FY 2016

Strengthening the Balance Sheet



Strong Liquidity

Diversifying funding sources

Lowering cost of debt

- Cash, Cash Equiv, Short-Term Investments
- Vendor Financing
- Note Maturities
- Receivables/Device Financing
- Network Equipment Financing
- Other
- Revolver

Fiscal Year 2017 Guidance

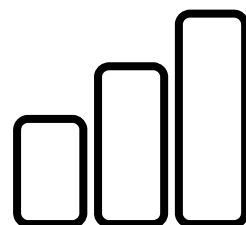


Adjusted
EBITDA*



\$10.7 billion to
\$11.2 billion

Operating
Income



\$2 billion to
\$2.5 billion

Cash
Capex



\$3.5 billion to
\$4 billion
excluding devices leased
through indirect channels

