

**Earnings Results
for the Three-month Period
Ended June 30, 2017**

Investor Briefing

August 8, 2017

SoftBank Group Corp.



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Accounting

Segments and Core Companies

<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 in FY16Q2)	Arm (earnings reflected from Sept. 6, 2016)
Other	Fukuoka SoftBank HAWKS

<FY17>

Reportable segments	Core companies
Domestic Telecommunications	SoftBank Wireless City Planning
Sprint	Sprint
Yahoo Japan	Yahoo Japan ASKUL
Distribution	Brightstar SoftBank Commerce & Service
Arm	Arm
SVF* (Newly established)	SoftBank Vision Fund
Other	Fukuoka SoftBank HAWKS

*SoftBank Vision Fund consists of several funds which are composed of the following entities: several general partners (“GPs”), each of which is a subsidiary of the Company; several limited partnerships managed by the GPs, mainly SoftBank Vision Fund L.P.; newly-established holding entities for several of the portfolio company investments; and SB Investment Advisers (UK) Limited (“SBIA”), a wholly-owned UK subsidiary of the Company, which will provide investment advice to each GP, and US and Japanese advisory companies supporting SBIA.

Consolidated P/L (including SVF segment)

P/L

Net sales

Cost of sales

Gross profit

Selling, general and administrative expenses

Operating income (excluding income from SVF)

Operating income from SVF

Operating income

Finance cost (interest expenses)

Income (loss) on equity method investments

Change in third-party interests in SVF

Other non-operating income (loss)

Income before income tax

Income taxes

Net income

Net income attributable to

Owners of the parent

Non-controlling interests

In FY17Q1:

-No investments were made by SVF.
 -Changes in fair value of the shares that had been agreed to be transferred to SVF from the Company have been recognized as valuation gain.

- Realized gain and loss on sales of investments
- Unrealized gain and loss on valuation of investments
- Interest and dividend income from investments (except for gain and loss on investments in subsidiaries)
- Incorporation expenses of entities that comprise SVF
- Investment research expenses arising from the GPs and advisories companies, and administrative expenses arising from each entity

- Change in income attributable to third-party interests in SVF within operating income from SVF.

Consolidated P/L Summary (IFRSs) - 1

<JPY bn>

P/L item	FY16 Q1	FY17 Q1	Change	Main breakdown
Continuing operations				
Net sales	2,126.5	2,186.1	+59.6	-7.6 Decrease in net sales (for customers) of Domestic Telecommunications segment. Decrease in telecom service revenue and product and other sales.
				+26.9 Increase in net sales (for customers) of Sprint segment. U.S. dollar-based net sales increased (IFRSs: FY16: USD 8.0bn, FY17: USD 8.2bn).
				+6.5 Increase in net sales (for customers) of Yahoo Japan segment. Increase in advertising related revenues as well as consolidation of eBOOK Initiative Japan Co., Ltd. in FY16.
				-17.1 Decrease in net sales (for customers) of Distribution segment. U.S. dollar-based net sales decrease at Brightstar (excluding C&S).
				+47.0 Newly established Arm segment (net sales for customers). Consolidated in September 2016.
Operating income (excluding SVF)	319.2	374.0	+54.8	-20.5 Decrease in Domestic Telecommunications segment.
				+86.6 Increase in Sprint segment. Gain on spectrum license exchange (53.4) and decrease in operating expenses. Increase in U.S. dollar-based operating income (IFRSs: FY16: USD 0.4bn, FY17: USD 1.2bn).
				+1.3 Increase in Yahoo Japan segment.
				-4.3 Decrease in Distribution segment. Decrease in U.S. dollar-based operating income of Brightstar.
				-6.9 Newly established Arm segment. Increase in R&D expenses due to increasing the number of employees and enhancing the employee compensation system; and amortization of intangible assets.
Operating income from SVF	-	105.2	+105.2	+105.2 Newly established SVF segment. Changes in fair value of NVIDIA Corporation shares that had been agreed to be transferred to SVF from the Company have been recognized as valuation gain.
Operating income	319.2	479.3	+160.1	

C&S: SoftBank Commerce & Service Corp

*Average exchange rate for the quarter (USD 1): FY16Q1: JPY 109.07, FY17Q1: JPY 111.61

Consolidated P/L Summary (IFRSs) - 2

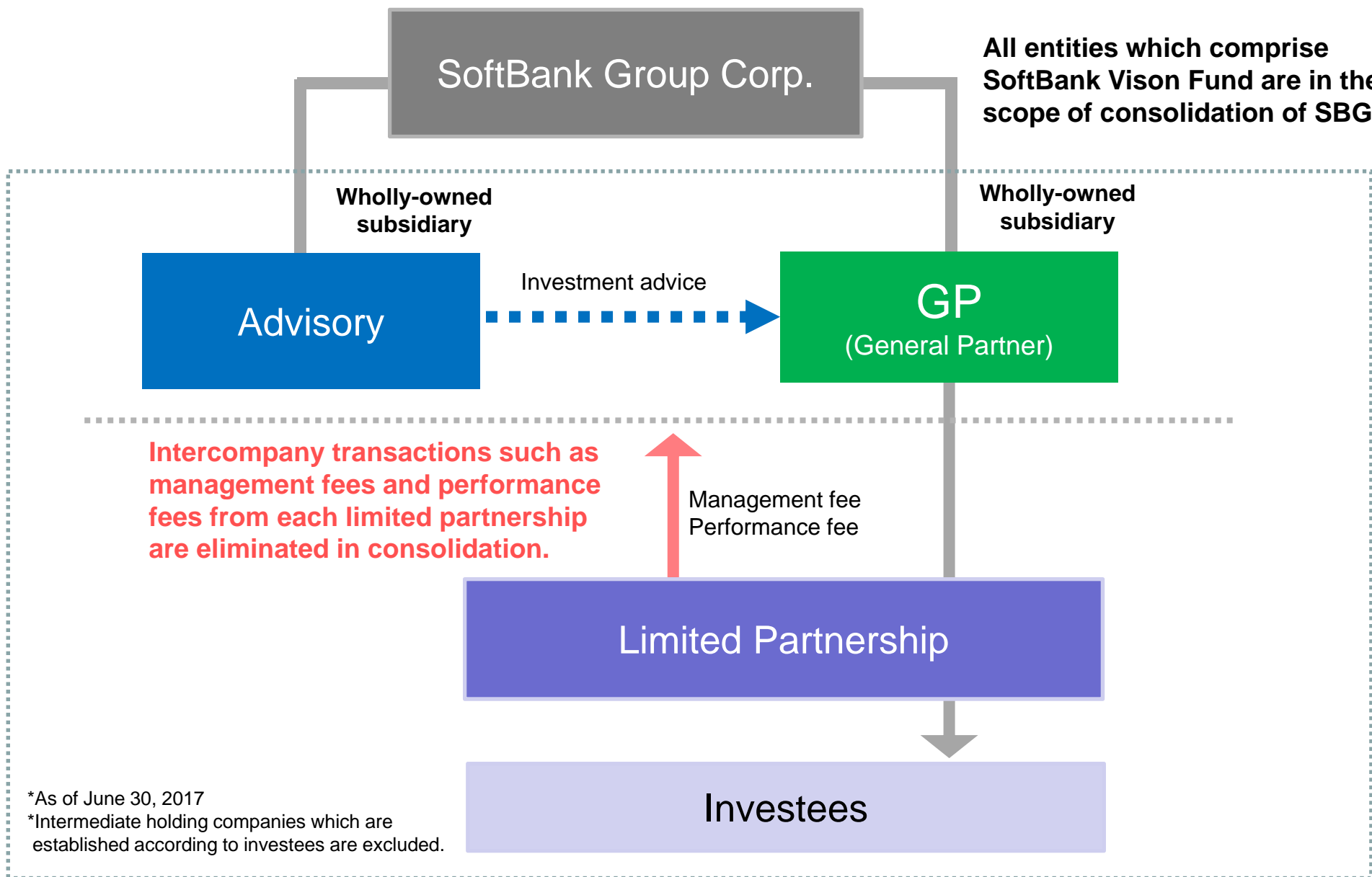
<JPY bn>

P/L item	FY16 Q1	FY17 Q1	Change	Main breakdown	
Continuing operations					
Net sales	2,126.5	2,186.1	+59.6		
Operating income (excluding SVF)	319.2	374.0	+54.8		
Operating income from SVF	-	105.2	+105.2		
Operating income	319.2	479.3	+160.1		
Finance cost	-112.1	-120.9	-8.8	-8.8	SBG: Increase in interest expense.
				+1.1	Sprint: Decrease in interest expense.
Income on equity method investments	35.5	1.6	-33.9	-27.0	Decrease in income on equity method investments related to Alibaba (see page 21).
Gain on sales of shares of associates	204.2	-	-204.2	-202.9	Reflected the partial sale of Alibaba shares to Alibaba and two Singaporean sovereign wealth in FY16.
Derivative gain (loss)	21.5	-257.1	-278.6	-253.8	Loss on valuation of derivatives on the collar transaction relating to the monetization of Alibaba shares (see page 24).
Change in third-party interests in SVF	-	-43.6	-43.6	-43.6	Within operating income from SVF, income attributable to third-party interests in SVF was recognized as an increase in third-party interests in SVF.
Other non-operating income (loss)	-112.0	18.2	+130.2	+54.9	Gain (loss) from financial instruments at FVTPL. Changes in fair value of investments primarily in Southeast Asia and India have been recognized as valuation gain (see page 26).
				+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 (42.5) in FY16.
Income before income tax	356.4	77.6	-278.8		
Income taxes	-144.1	-47.0	+97.1		
Net income from continuing operations	212.3	30.5	-181.8		
Discontinued operations					
Net income from discontinued operations	60.1	-	-60.1	-60.1	Income after income tax (21.1) as well as deferred tax expenses for investment temporary differences from Supercell Oy (39.0) were recorded in FY16.
Net income (net income attributable to owners of the parent)	254.2	5.5	-248.7		

SBG: SoftBank Group Corp.

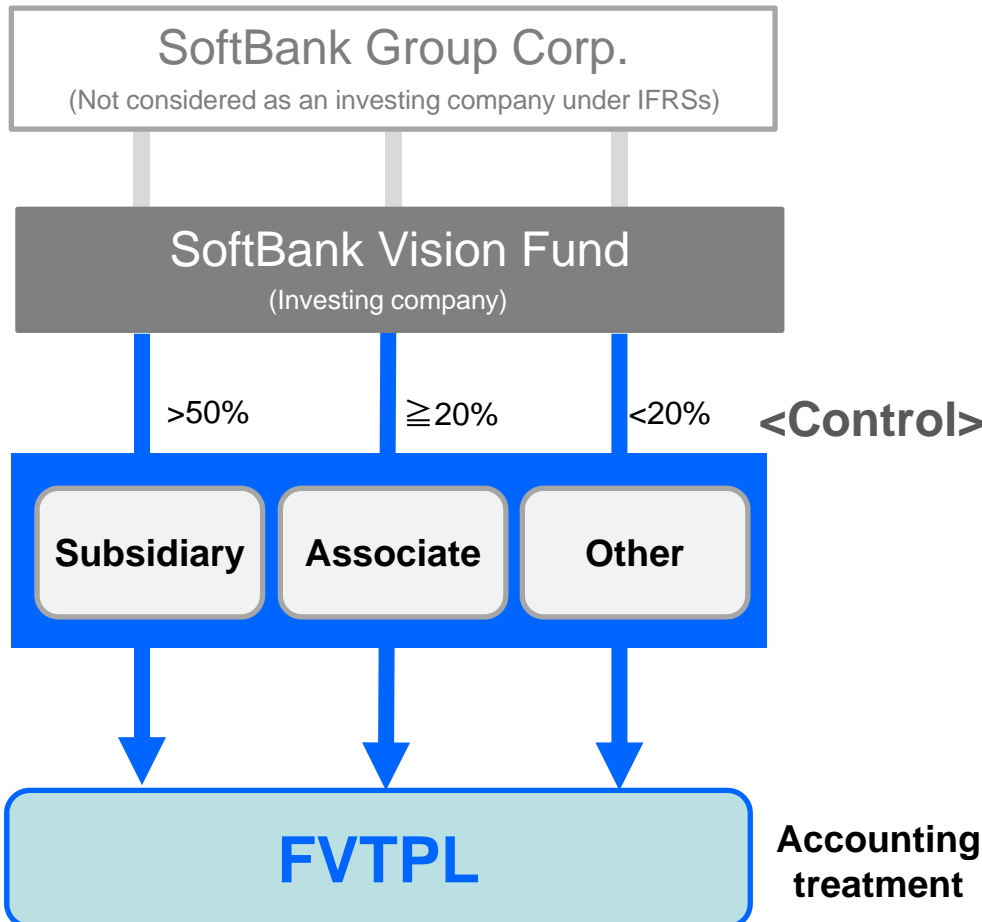
*Average exchange rate for the quarter (USD 1): FY16Q1: JPY 109.07, FY17Q1: JPY 111.61

Structure of SoftBank Vision Fund (conceptual image)

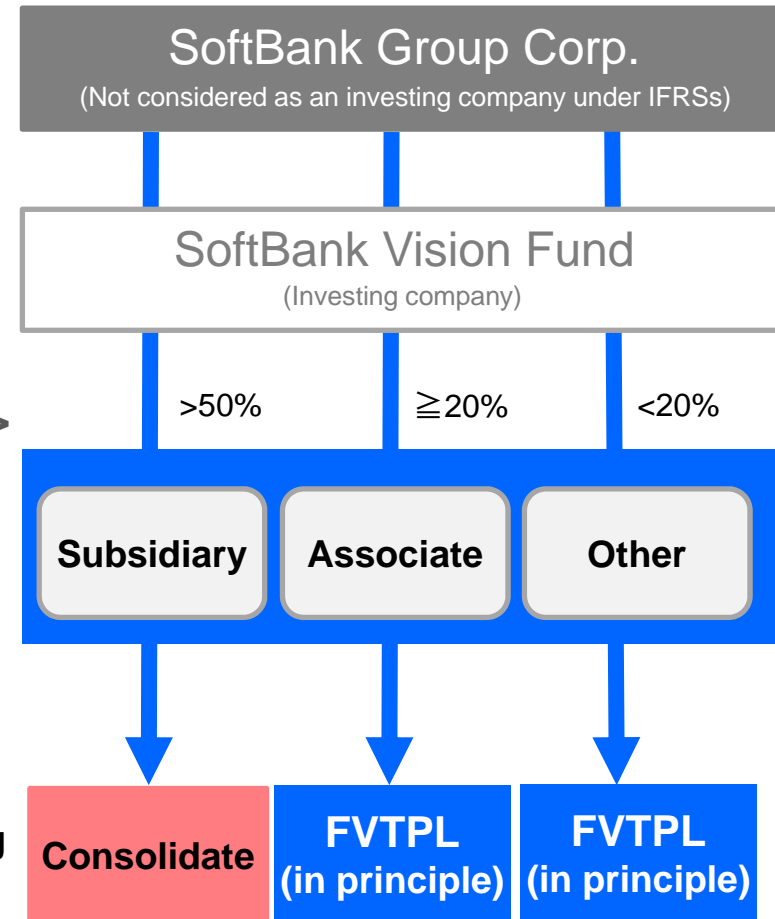


Treatment of portfolio company investments in SBG consolidation

Fund (stand-alone):



SBG consolidation:



*FVTPL (Fair Value Through Profit or Loss): assets and liabilities are valued at fair value at the end of each quarter, with changes recognized on PL.

Treatment of third-party interests

Fund life is finite



**Third-party interests
recorded as “liabilities”**

Consolidated B/S (including SVF segment)

B/S

Assets

Current assets

Cash and cash equivalents
Trade and other receivables
Other financial assets etc.

Non-current assets

Property, plant and equipment
Goodwill
Intangible assets
Investments accounted for using the equity method

Investments from SVF accounted for using FVTPL

Other financial assets etc.

Investments from SVF
(except for shares of subsidiaries)

Fair value of the investment securities that had been agreed to be transferred to SVF from the Company has been recorded as of FY17Q1.

Liabilities and Equity

Current liabilities

Interest-bearing debt
Trade and other payables etc.

Non-current liabilities

Interest-bearing debt
Third-party interests in SVF
Other financial liabilities
Provisions
Deferred tax liabilities etc.

Equity

Equity attributable to owners of the parent
Non-controlling interests

Third-party interests recorded as liabilities

Included in other financial liabilities as of FY17Q1.

Consolidated B/S Summary (IFRSs) - 1

<JPY bn>

B/S item	Main items	As of Mar 2017	As of Jun 2017	Change	Main breakdown
Current assets		5,724.0	4,767.1	-956.9	
	Cash and cash equivalents	2,183.1	1,288.0	-895.1	Payments for acquisition of investments (-912.7). Mainly due to payments for investments with the plan of transferring and those agreed to be transferred to SVF (see page 18).
	Other financial assets	794.7	669.4	-125.3	Decreased due to a partial sale of commercial papers held for short-term investment by Sprint.
	Other current assets	283.2	378.4	+95.2	Recording withholding income tax to be paid related to dividends within the group companies.
Non-current assets		18,910.2	20,116.0	+1,205.8	
	Property, plant and equipment	3,977.3	3,909.5	-67.8	Decreased due to depreciation of network equipment at Sprint and SoftBank.
	Sprint	1,926.1	1,892.5	-33.6	
	Goodwill	4,175.5	4,278.7	+103.2	See page 13 for breakdown of goodwill.
	Arm	2,687.9	2,793.0	+105.1	Increased due to the weaker yen against the pound.
	Intangible assets	6,946.6	6,972.3	+25.7	See page 14 for breakdown of intangible assets.
	Investments from SVF accounted for using FVTPL	-	483.3	+483.3	Increased due to reclassification of NVIDIA Corporation shares, which had been agreed to be transferred to SVF, from investment securities and recognition of its fair value. Recognition of fair value of investment securities that were newly acquired and agreed to be transferred to SVF.
	Investment securities	1,106.4	1,698.3	+591.9	Increased due to additional investments in Xiaoju Kuaizhi Inc. (Didi), and newly acquired investment securities such as OSIsoft LLC. Decreased due to reclassification of NVIDIA Corporation shares, which had been agreed to be transferred to SVF, to investments from SVF accounted for using FVTPL.
Other financial assets	445.9	442.3	-3.6		
Deferred tax assets	405.0	457.6	+52.6		
Total assets		24,634.2	24,883.1	+248.9	

*Exchange rate: USD 1 = JPY 112.19 as of March 31, 2017, USD 1 = JPY 112.00 as of June 30, 2017.
GBP 1 = JPY 140.08 as of March 31, 2017, GBP 1 = JPY 145.79 as of June 30, 2017.

Consolidated B/S Summary (IFRSs) - 2

- Breakdown of Goodwill

<JPY bn>

B/S item	Main items	As of Mar 2017	As of Jun 2017	Change		Outline
				Changes in exchange rate	Others	
Goodwill		4,175.5	4,278.7	+108.9	-5.7	
	Arm	2,687.9	2,793.0	+109.4	-4.3	Decrease in "others" related to adjustment of the provisional amount of PPA.
	SoftBank	907.5	907.5	-	-	
	Sprint	330.4	329.8	-0.6	-	
	Ikyu	72.0	72.0	-	-	
	Brightstar	58.0	57.9	-0.1	-	
	ASKUL	53.8	53.8	-	-	

*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 112.19 as of March 31, 2017 and USD 1 = JPY 112.00 as of June 30, 2017.

Arm (GBP):

translated at: GBP 1 = JPY 140.08 as of March 31, 2017 and GBP 1 = JPY 145.79 as of June 30, 2017.

Consolidated B/S Summary (IFRSs) - 3

- Breakdown of Intangible Assets

<JPY bn>

B/S item	Main items	As of Mar 2017	As of Jun 2017	Change			Outline	
				Amortization	Changes in exchange rate	Other		
Main intangible assets	FCC licenses (non-amortized)	4,100.7	4,148.5	-	-6.8	+54.6		
	Sprint	4,100.7	4,148.5	-	-6.8	+54.6	Increase in "others" mainly related to FCC licenses acquired through exchange of spectrum with other carriers (non-cash transaction).	
	Technology	522.9	539.3	-10.2	+21.3	+5.3		
	Main b/d	Arm	522.5	538.9	-10.2	+21.3	+5.3	Increase in "others" related to adjustment of the provisional amount of PPA. Straight-line method. Amortization period: 8-20 years.
	Customer relationships	448.8	422.5	-31.8	+5.5	-		
	Main breakdown	Sprint	209.8	185.6	-23.8	-0.4	-	Sum-of-the-months' digits method. Amortization period: postpaid: 8 years, prepaid: 4 years.
		Arm	144.0	146.8	-3.0	+5.8	-	Straight-line method. Amortization period: 13 years.
		ASKUL	34.8	33.9	-0.9	-	-	Straight-line method. Amortization period: 11 years.
		SoftBank	24.4	21.6	-2.8	-	-	Sum-of-the-months' digits method. Amortization period: mobile business (excl. PHS): 8 years. fixed broadband business: 6 years. PHS: 9 years.
		Ikyu	14.6	14.3	-0.3	-	-	Straight-line method. Amortization period: 10-14 years.
		Brightstar	13.5	12.9	-0.6	-	-	Sum-of-the-months' digits method. Amortization period: 12-16 years.
	Trademarks	703.0	702.0	-	-1.0	-	Excluding trademarks with finite useful lives.	
	Sprint	665.9	664.8	-	-1.1	-		
	ASKUL	20.1	20.1	-	-	-		
	Ikyu	10.1	10.1	-	-	-		
	Brightstar	6.9	7.0	-	+0.1	-		

*Sprint and Brightstar (USD):
translated at: USD 1 = JPY 112.19 as of March 31, 2017 and USD 1 = JPY 112.00 as of June 30, 2017.
Arm (GBP):
translated at: GBP 1 = JPY 140.08 as of March 31, 2017 and GBP 1 = JPY 145.79 as of June 30, 2017.

Consolidated B/S Summary (IFRSs) - 4

<JPY bn>

B/S item	Main items	As of Mar 2017	As of Jun 2017	Change	Main breakdown	
Current liabilities		5,226.9	5,538.5	+311.6		
	Short-term borrowings	667.7	831.6	+163.9		
		SBG	505.8	701.6	+195.8	Increase due to drawing down of credit line facility.
	Current portion of long-term borrowings	1,128.5	1,194.2	+65.7		
		SBG	434.0	434.4	+0.4	
		Sprint	307.2	363.2	+56.0	Increase due to transfers from non-current liabilities.
		Other	387.3	396.6	+9.3	
	Current portion of corporate bonds	339.5	692.9	+353.4		
		SBG	119.9	519.0	+399.1	Increase due to transfers from non-current liabilities.
		Sprint	219.4	173.8	-45.6	Decrease due to early redemption of certain corporate bonds.
Trade and other payables	1,607.5	1,466.5	-141.0			
	SoftBank	514.8	426.3	-88.5	Decrease due to payments of sales commissions and accounts payable for mobile devices.	
	Sprint	450.6	385.5	-65.1	Decrease due to payments of accounts payable-other related to telecommunications equipment and mobile devices.	
Income taxes payables	256.2	77.2	-17.9	Decreased due to payments of income taxes payables such as income taxes on gains from the sale of Supercell Oy shares.		
Non-current liabilities		14,937.6	14,689.9	-247.7		
	Long-term borrowings	3,377.6	3,365.0	-12.6		
		SBG	2,133.7	2,136.5	+2.8	
		Sprint	1,044.1	1,030.6	-13.5	
	Corporate bonds	7,233.8	6,709.3	-524.5		
		SBG	4,244.5	3,870.1	-374.4	Decrease due to transfers to current liabilities.
	Sprint	2,954.3	2,804.2	-150.1	Decrease due to early redemption of certain corporate bonds.	
Derivative finance liabilities	254.1	471.9	+217.8	Derivative financial liabilities relating to a collar translation included in a variable prepaid forward contract for Alibaba shares (see page 23).		
Total liabilities		20,164.5	20,228.4	+63.9		

*Translated at: USD 1 = JPY 112.19 as of March 31, 2017 and USD 1 = JPY 112.00 as of June 30, 2017.

Consolidated B/S Summary (IFRSs) - 5

<JPY bn>

B/S item	Items	As of Mar 2017	As of Jun 2017	Change	Main breakdown
Equity		4,469.7	4,654.7	+185.0	
	Common stock	238.8	238.8	-	
	Capital surplus	245.7	247.5	+1.8	
	Retained earnings	2,958.4	2,939.2	-19.2	Increase due to net income attributable to owners of the parent (+5.5). Payments of the year-end dividend for the fiscal year ended March 31, 2017 (-24.0).
	Treasury stock	-67.7	-66.4	+1.3	
	Accumulated other comprehensive income	211.2	414.0	+202.8	Increased in exchange differences of Arm due to the weaker yen against the pound (+154.9).
	Non-controlling interests	883.4	881.7	-1.7	
	Equity attributable to owners of the parent ratio (equity ratio)	14.6%	15.2%	+0.6p	

*Sprint (USD):

translated at: USD 1 = JPY 112.19 as of March 31, 2017 and USD 1 = JPY 112.00 as of June 30, 2017.

Arm (GBP):

translated at: GBP 1 = JPY 140.08 as of March 31, 2017 and GBP 1 = JPY 145.79 as of June 30, 2017.

Consolidated C/F (including SVF segment)

C/F

Cash flows from operating activities

Net income
Depreciation and amortization
Gain on investments at SVF
Change in third-party interests in SVF etc.
Subtotal
Interest and dividends received
Interest paid

Cash flows from investing activities

Purchase of property, plant and equipment,
and intangible assets

Payments for acquisition of investments by SVF
Proceeds from sales of investments by SVF etc.

Cash flows from financing activities

Proceeds from interest-bearing debt
Repayment of interest-bearing debt

Contributions into SVF from third-party
interests in SVF
Distributions and redemption for third-party
interests in SVF etc.

Increase (decrease) in cash and cash equivalents
Cash and cash equivalents at the beginning of the period
Cash and cash equivalents at the end of the period

Payments for investments executed by the Company during the first quarter that had been agreed to be transferred to SVF.

Increase and decrease related to investments and disposition at SVF

Increase and decrease related to third-party investors in SVF (contributions / redemption / distribution etc.)

Consolidated C/F Summary (IFRSs)

<JPY bn>

C/F item	FY17Q1	Main breakdown	
Cash flows from operating activities	196.0	30.5	Net income
		372.0	Depreciation and amortization
		-106.9	Gain on investments at SVF
		120.9	Finance cost
		257.1	Derivative (gain) loss
		43.6	Change in third-party interests in SVF
		-18.2	Other non-operating loss (income)
		47.0	Income taxes
		-98.5	Increase in inventories
		-111.7	Interest paid
		-251.0	Income taxes paid Payments of income taxes payables such as income taxes on gains from the sale of Supercell Oy shares.
Cash flows from investing activities	-1,068.4	-284.0	Purchase of property, plant and equipment, and intangible assets
		-864.7	Payments for acquisition of investments Additional investments in Xiaoju Kuaizhi Inc. (Didi), and newly acquired investment securities such as OSIssoft (including investments with the plan of transferring to SVF).
		-48.0	Payments for acquisition of investments by SVF Payments related to investments that had been agreed to be transferred to SVF.
		101.1	Proceed and payments for marketable securities for short-term trading Mainly associated with Sprint's short-term trading.
Cash flows from financing activities	-26.0	176.8	Increases in short-term interest-bearing debt
		335.5	Proceeds from long-term interest-bearing debt Proceeds from long-term borrowings (219.2), proceeds from sale and leaseback for a purchase of new telecommunications equipment (116.3).
		-480.9	Repayment of long-term interest-bearing debt Redemption of certain corporate bonds of Sprint (-177.2), repayment of long-term borrowings (-169.3), and repayment of lease obligations (-118.6).
Cash and cash equivalents at the beginning of the period	2,183.1		
Cash and cash equivalents at the end of the period	1,288.0		

Impact of Sprint – U.S. GAAP > IFRSs Adjustment (1)

<Adjustment to P/L items> (April 1, 2017 – June 30, 2017)

<USD mil>

Sprint	U.S. 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	8,157							8,157	910.4	Net sales
Net operating expenses										
Cost of services and products	-3,254	-1,914				-8	33	-5,143	-574.1	Cost of sales
Selling, general and administrative	-1,938	-144					-10	-2,092	-233.5	Selling, general and administrative expenses
Depreciation and amortization	-2,054	2,054								
Other, net	252	6	5				-2	261	29.2	Other operating income
Operating income	1,163	2	5			-8	21	1,183	132.0	Operating income
Interest expense	-613	9	-1	-12	-1		-2	-620	-69.2	Finance cost
Other expense, net	-52	-11					5	-58	-6.5	Other non-operating loss
Income before income taxes	498		4	-12	-1	-8	24	505	56.3	Income before income tax
Income tax expense	-292						-1	-293	-32.6	Income taxes
Net income	206		4	-12	-1	-8	23	212	23.7	Net income
Operating income	1,163	2	5			-8	21	1,183	132.0	Operating income
Depreciation and amortization	2,054	4				8	2	2,068	230.8	Depreciation and amortization
EBITDA	3,217	6	5				23	3,251	362.8	EBITDA
Other adjustments	-364		-5				2	-367	-41.0	Other adjustments
Adjusted EBITDA	2,853	6					25	2,884	321.8	Adjusted EBITDA

*Average rate for the quarter is used for conversion of the U.S. dollars into yen (April to June 2017, USD 1 = JPY 111.61).

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

Interest from asset retirement obligations (USD 8 million) is recorded as operating expenses under U.S. GAAP and finance cost under IFRSs.

(2) Under U.S. 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 U.S. 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 U.S. GAAP, deferred as an asset or deducted from liability and amortized over the life of the agreement (2 years) under IFRSs.

(5) Sprint (U.S. GAAP) does not recognize depreciation on wireline property, plant, and equipment which impairment loss was recognized during the fiscal year ended March 2015. Under U.S. 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 – U.S. GAAP > IFRSs Adjustment (2)

<Adjustment to B/S items> (as of June 30, 2017)

<USD mil>

Sprint	U.S. 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	12,496									12,496	1,399.6	Current assets
Goodwill	6,578			340		77		1	-4,048	2,948	330.1	Goodwill
Other non-current assets	64,250		2,054		29					66,333	7,429.3	Other non-current assets
Total assets	83,324		2,054	340	29	77		1	-4,048	81,777	9,159.0	Total assets
Liabilities and shareholders' equity												Liabilities and equity
Current liabilities	11,571	104		38		71		9		11,793	1,320.9	Current liabilities
Non-current liabilities	52,738	-104		16	18		692	-2		53,358	5,976.0	Non-current liabilities
Total liabilities	64,309			54	18	71	692	7		65,151	7,296.9	Total liabilities
Shareholders' equity	19,015		2,054	286	11	6	-692	-6	-4,048	16,626	1,862.1	Total equity
Total liabilities and shareholders' equity	83,324		2,054	340	29	77		1	-4,048	81,777	9,159.0	Total liabilities and equity

*June month-end rate is used for conversion of the U.S. dollars into yen (USD 1 = JPY 112.00).

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

(2) Sprint (U.S. 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 U.S. 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 U.S. 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 U.S. 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.

Income on Equity Method Investments Related to Alibaba



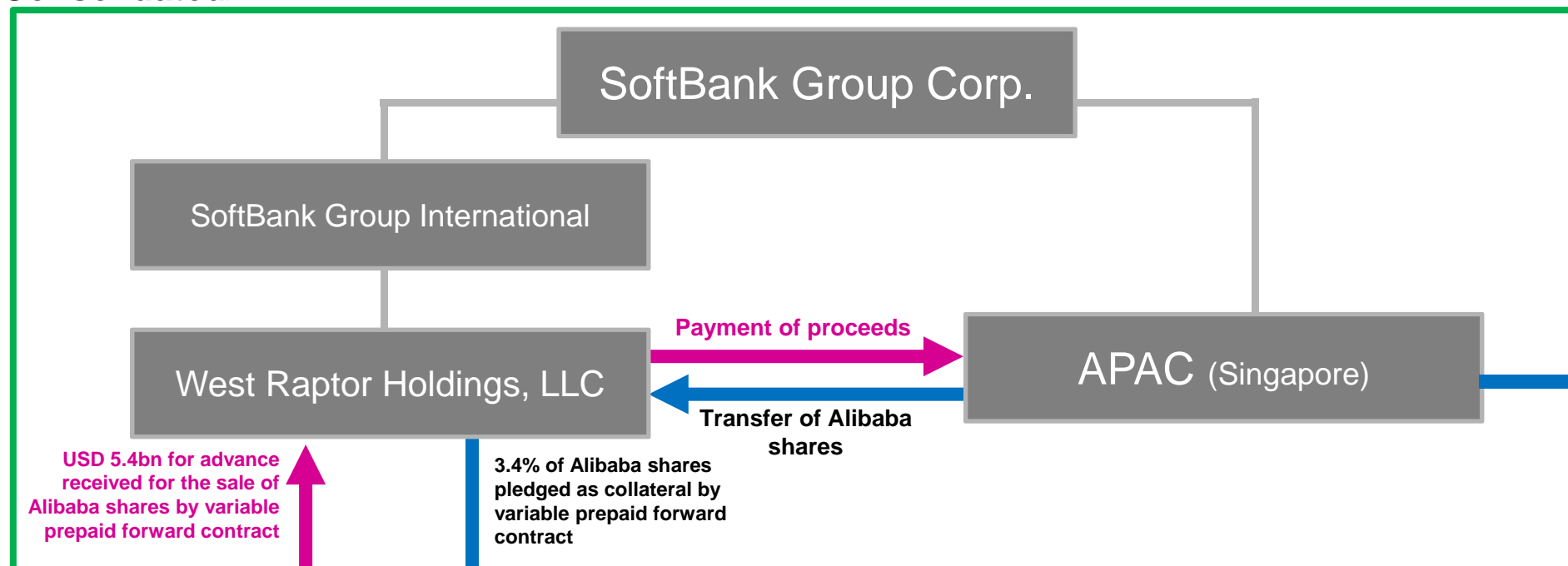
Alibaba		SoftBank Group	
U.S. GAAP	IFRSs		

	(CNY mil)					(JPY bn)	
	Net income	Reconciliation ^(*) to IFRSs	Net income	Ownership	Income on equity method investments	Exchange rate	Income on equity method investments
FY16Q1	5,365 (Jan – Mar)	1,434	6,799	Approx. 33%	2,216	JPY 16.64 / CNY	36.9
FY17Q1	10,646 (Jan – Mar)	-8,568 [*]	2,078	Approx. 30%	618	JPY 15.99 / CNY	9.9

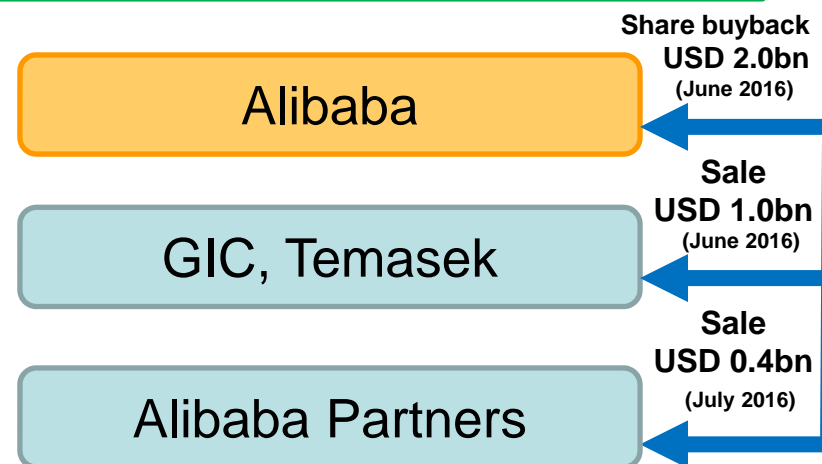
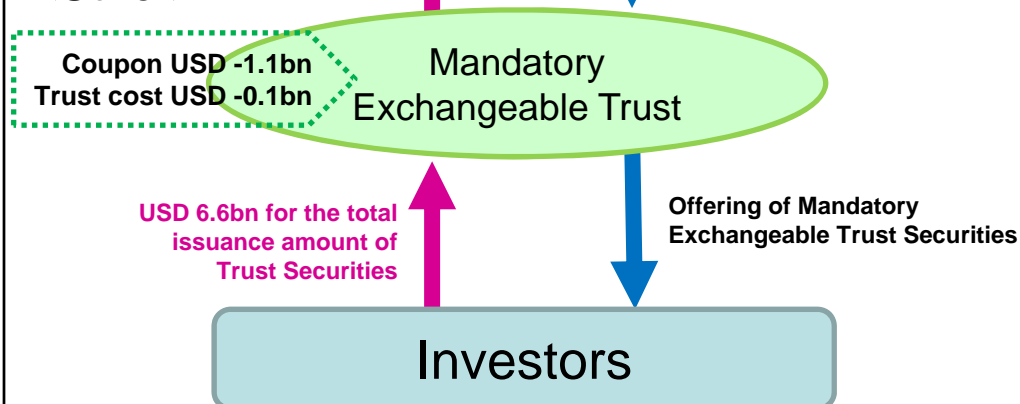
*A loss on change in fair value of the non-controlling interests of Alibaba's subsidiaries (recognized as a financial liability due to the assignment of a put option) and a negative adjustment for gain on sale of financial instruments at FVTPL held by Alibaba (under IFRSs, valuation gain on financial instruments at FVTPL had been previously recorded)

Sale of a Portion of Alibaba Shares and Variable Prepaid Forward Contract

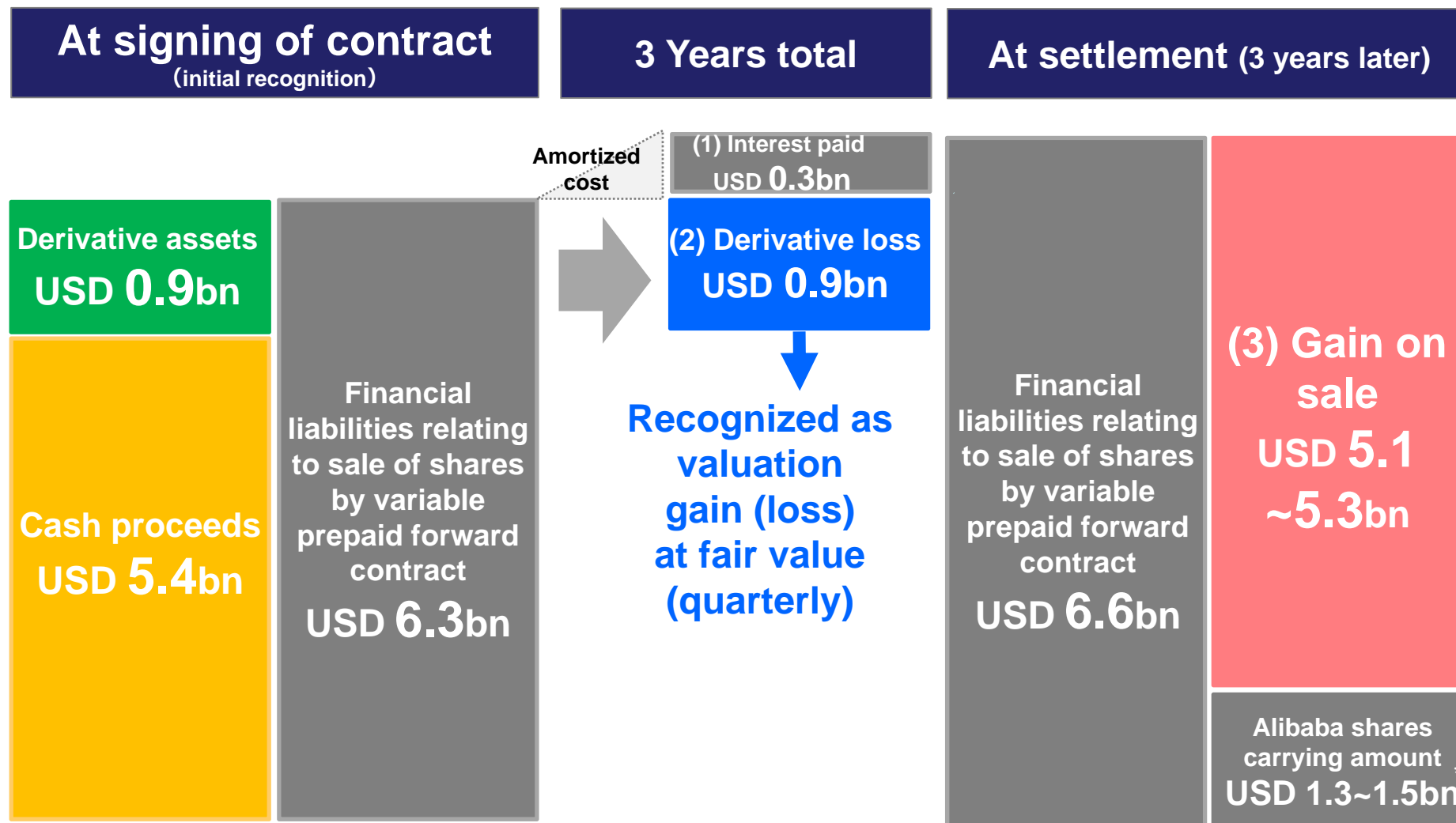
<Consolidated>



<Other>

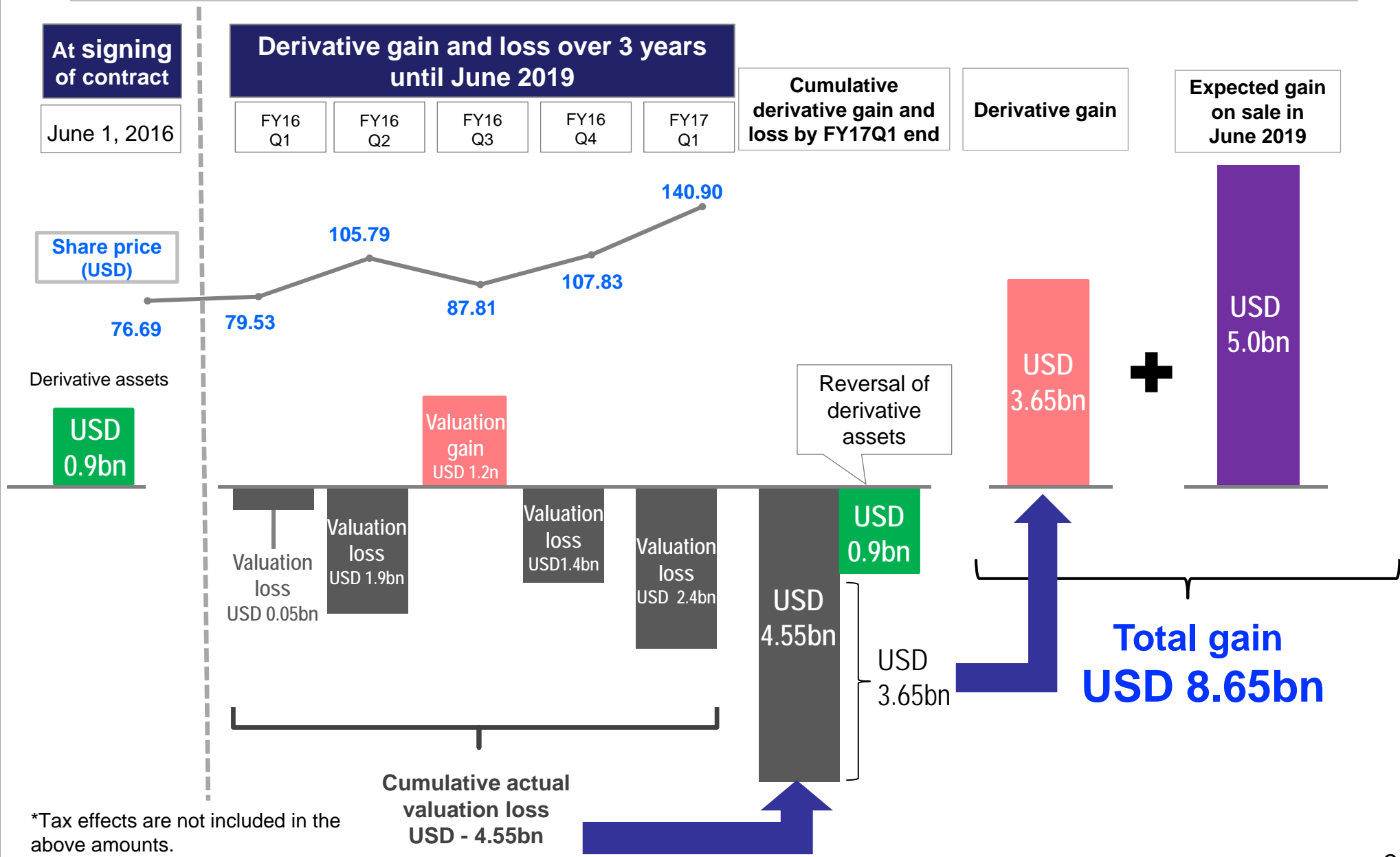


Variable Prepaid Forward Contract for Alibaba Shares

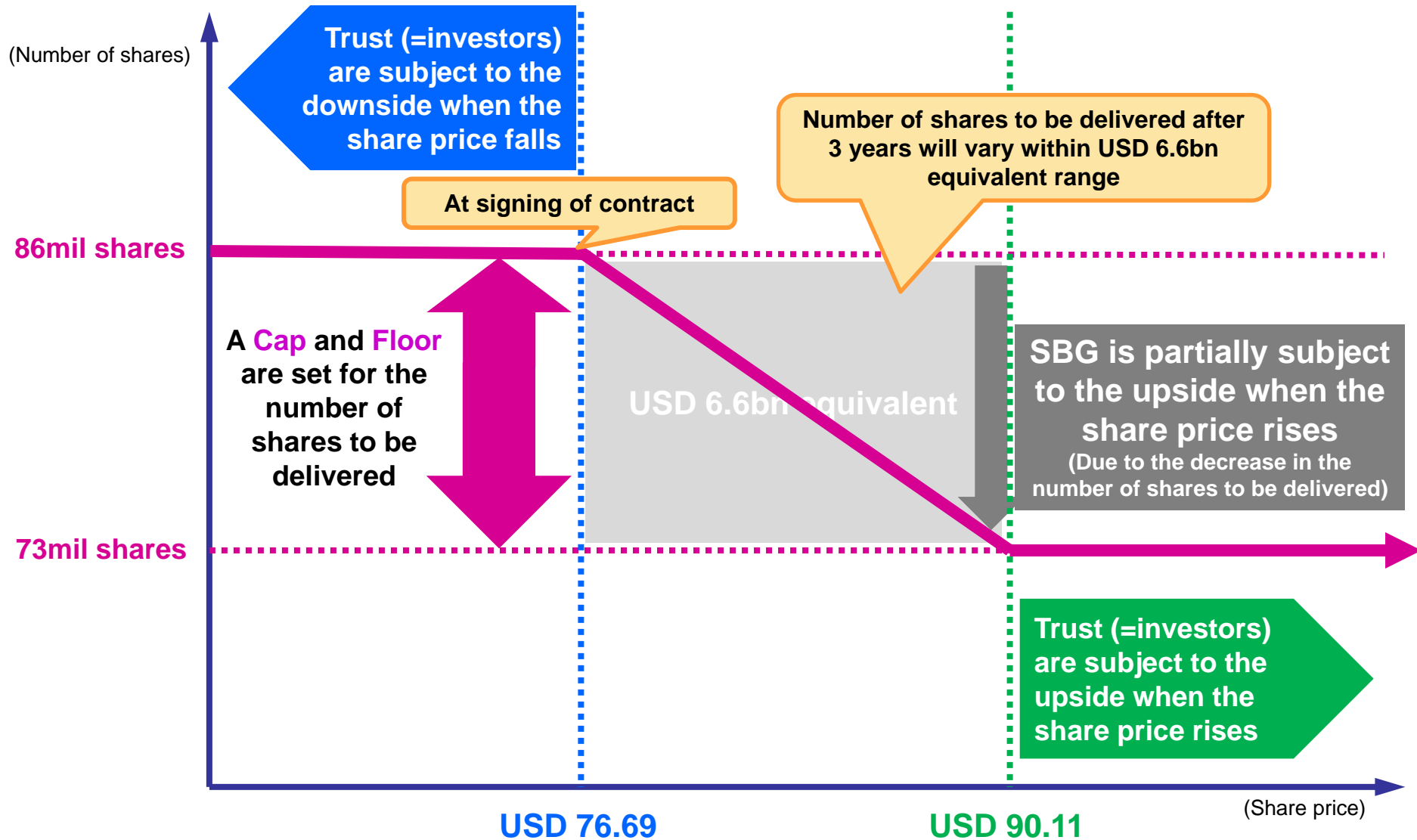


*The number of Alibaba shares to be used for settlement can fluctuate in a range of 73-86 million shares, according to the share price of Alibaba shares 3 years later. Carrying amount and gain on sale of Alibaba shares is estimated based on the carrying amount of Alibaba shares on consolidated basis as of June 30, 2017.

Derivative Gain and Loss Relating to Variable Prepaid Forward Contract for Alibaba shares



Collar Transaction Embedded in Variable Prepaid Forward Contract



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)

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

	<JPY bn>	
	FY17Q1	
Gain and loss from financial instruments at FVTPL	25.3	
Main companies:	Jasper Infotech (<i>Snapdeal</i>), ANI Technologies (<i>Ola</i>), and Grab (<i>Grab Taxi</i>).	
	Gain and loss from financial instruments at FVTPL	JPY 25.3bn
	Deferred tax expenses	JPY -9.8bn
	Impact on net income	JPY 15.5bn

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

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

	<JPY bn>	
	FY17Q1	
Other comprehensive income	25.0	
Main companies:	Xiaoju Kuaizhi (<i>Didi Chuxing</i>) and Forward Ventures (<i>Coupang</i>).	
	Other comprehensive income (before tax)	JPY 25.0bn
	Tax effect	JPY -5.1bn
	Other comprehensive income (after tax)	JPY 19.9bn

*Includes investments which have the possibility to be transferred to SVF

(Reference) PPA Relating to Arm Acquisition

After PPA
Completion

Goodwill

JPY 2.65t
(GBP 19.2bn)

Technology JPY 542.9bn
(GBP 3.9bn)

Amortization period
8-20 years

Customer relationships JPY 148.6bn
(GBP 1.1bn)

Amortization period
13 years

Trademarks JPY 5.9bn (GBP 0.04bn)

Amortization period
8 years

Other assets & liabilities (net)
JPY 22.9bn (GBP 0.17bn)

**Yearly amortization
amount**
GBP 0.37bn

(Opening B/S)

* Translated at GBP 1 = JPY 138.15



Finance

Main Financing Activities

Category	Event	Amount	Timing
Investments	First major closing of SoftBank Vision Fund* (SVF)	Total capital committed by general partners and limited partners: over USD 93.0 bn (including capital committed by the Company: USD 28 bn)*	May 2017
	Investees that had been agreed to be transferred (including partial transfer) to SVF etc. from the Company: NVIDIA Corporation, Guardant Health, Inc., etc.	Total amount: JPY 483.3 bn (Amount recorded in the Company's consolidated financial statements as investments from SVF)	
	Investment in Xiaoju Kuaizhi Inc. (Didi), with the plan of transfer (including partial transfer) to SVF etc.	USD 5 bn	By May 2017
Funding	Issuance of USD-denominated Undated Subordinated Hybrid Notes NC6 NC10	USD 2.75 bn (JPY 311.3 bn) USD 1.75 bn (JPY 198.1 bn)	July 2017

*SoftBank Vision Fund consists of several funds which are composed of the following entities: several general partners ("GPs"), each of which is a subsidiary of the Company; several limited partnerships managed by the GPs, mainly SoftBank Vision Fund L.P.; newly-established holding entities for several of the portfolio company investments; and SB Investment Advisers (UK) Limited ("SBIA"), a wholly-owned UK subsidiary of the Company, which will provide investment advice to each GP, and US and Japanese advisory companies supporting SBIA.

*The Company expects to contribute shares of Arm Holdings plc to SVF, by in-kind contribution in satisfaction of approximately USD 8.2 bn out of USD 28 bn.

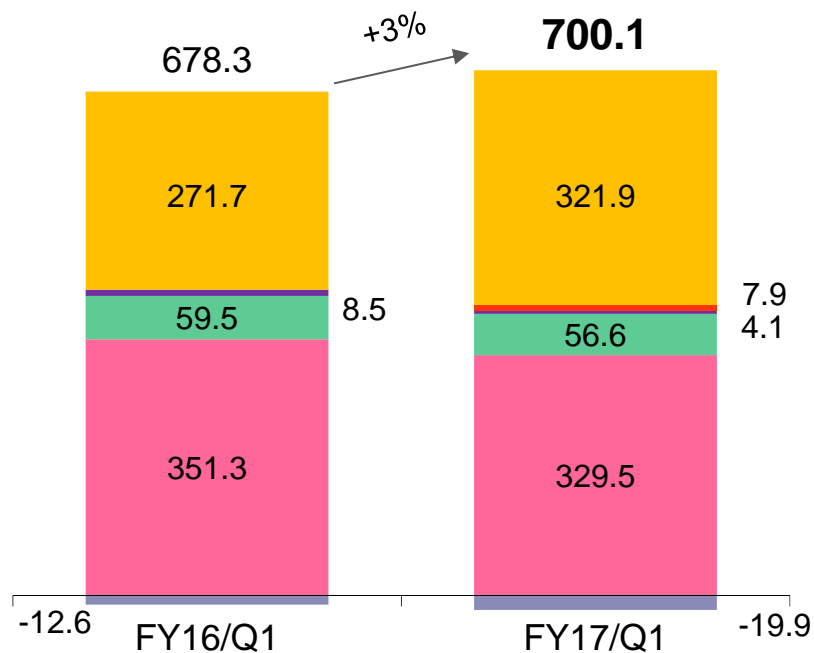
Adjusted EBITDA and Adjusted EBITDA Margin (1)

Significant improvement in Sprint contributes to consolidated EBITDA growth.

Adjusted EBITDA

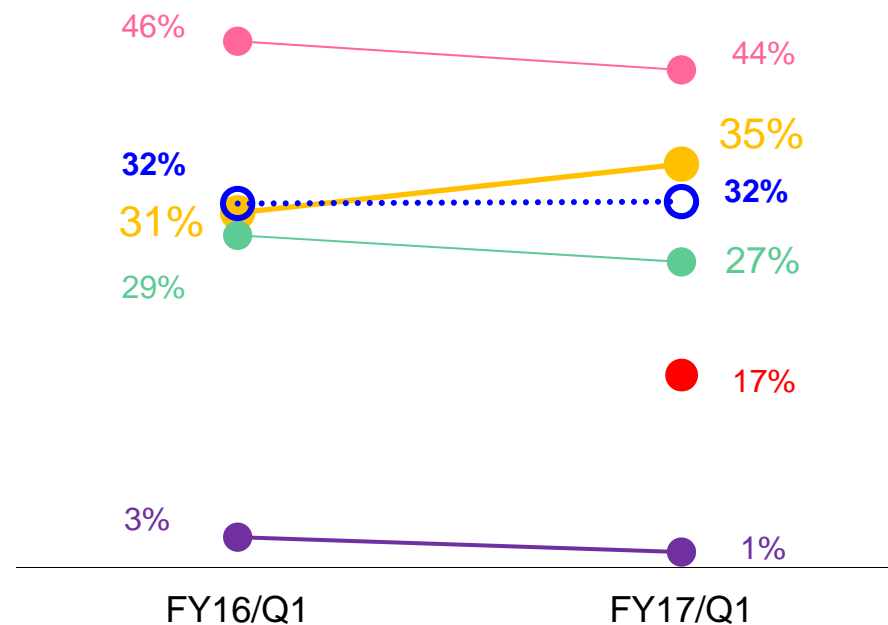
<JPY bn>

- Domestic Telecommunications
- Yahoo japan
- Distribution
- Arm
- Sprint
- Other(Incl. SVF)



Adjusted EBITDA Margin

- Domestic Telecommunications
- Sprint
- Yahoo Japan
- Distribution
- Arm
- Consolidated



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

*2. Adjusted EBITDA = operating income (loss) + depreciation and amortization ± other adjustments. Adjusted EBITDA of SVF segment is obtained by adding or deducting unrealized gain and loss on valuation of investments (gains are deducted).

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

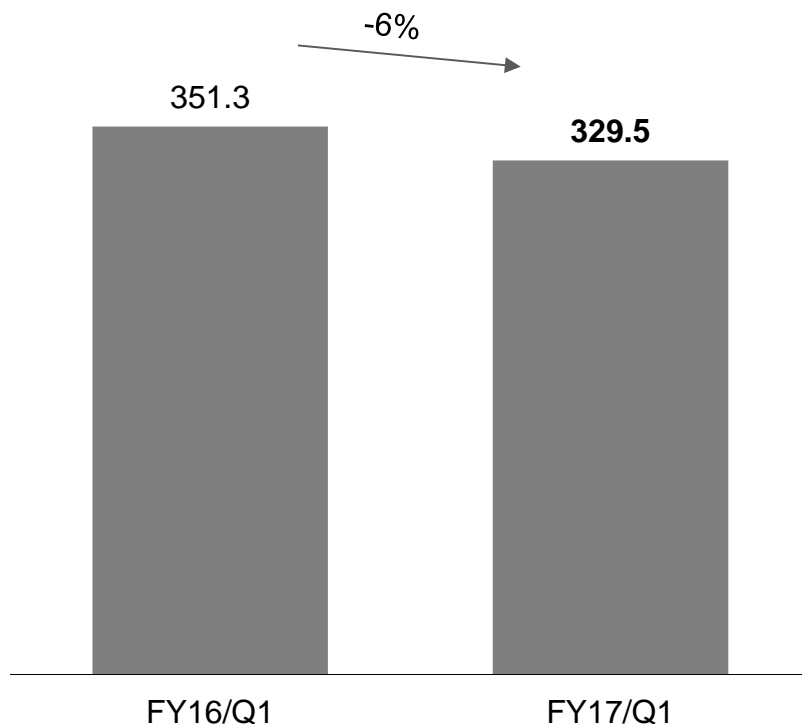
*4. Arm segment is reflected from September 6, 2016.

Adjusted EBITDA and Adjusted EBITDA Margin (2)

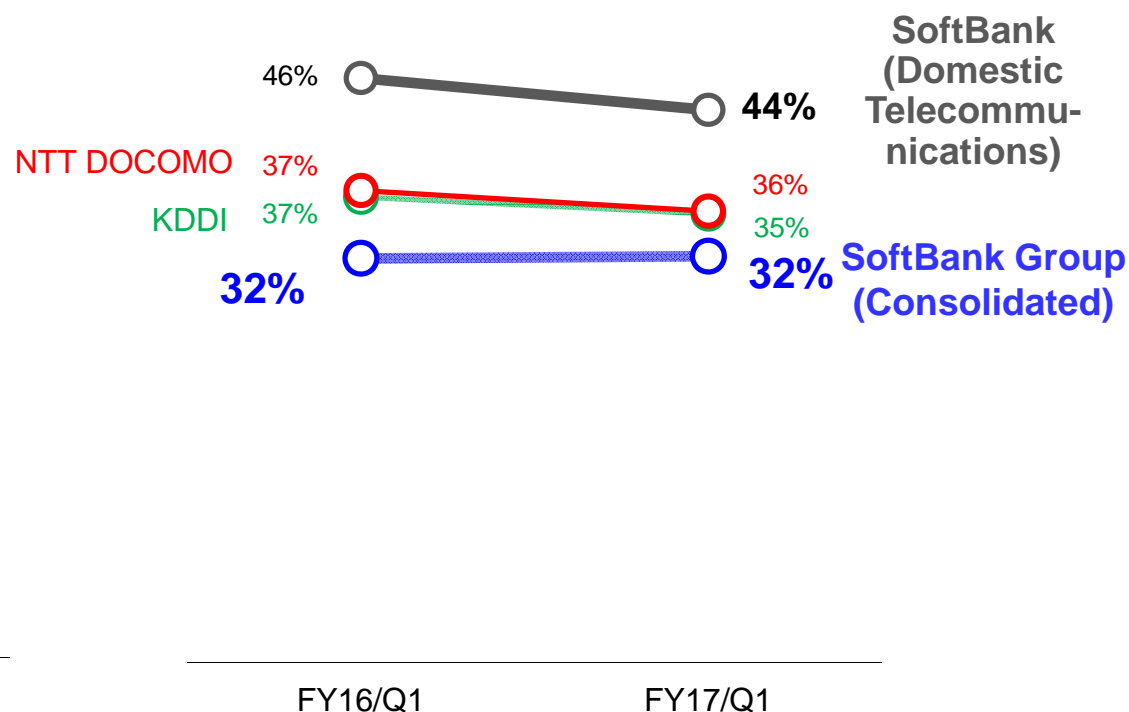
Domestic Telecommunications segment sustains high margin.

Adjusted EBITDA (Domestic Telecommunications)

<JPY bn>



Adjusted EBITDA Margin



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

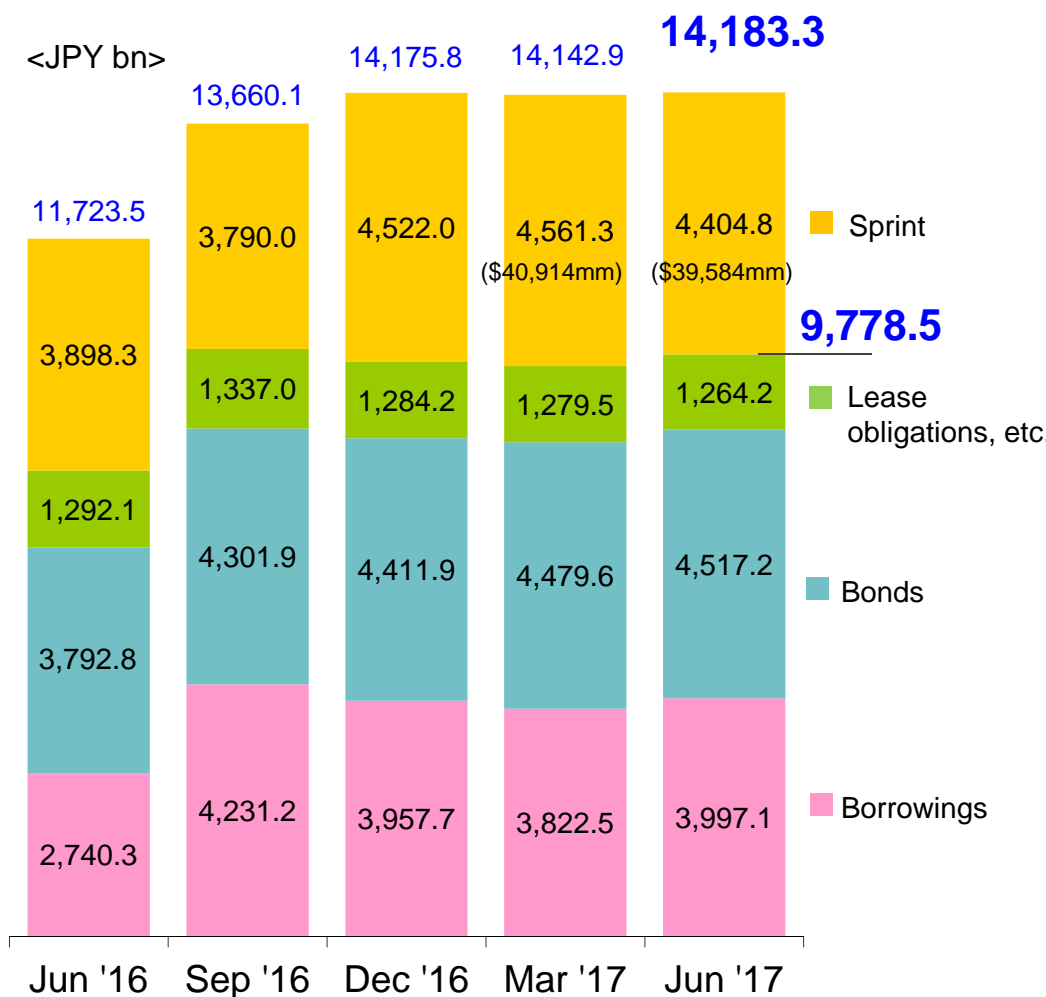
*2. Adjusted EBITDA = operating income (loss) + depreciation and amortization ± other adjustments. Adjusted EBITDA of SVF segment is obtained by adding or deducting unrealized gain and loss on valuation of investments (gains are deducted).

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

*4. (Source) Company data: NTT DOCOMO based on US-GAAP and KDDI based on IFRSs

Interest-bearing Debt

No material change since the acquisition of Arm.



Breakdown of Sprint's interest-bearing debt	<JPY bn>	Change from FY16-end (details)
Borrowings	1,393.8	
Bonds	2,978.0	- 189.3 (early redemption)
Other	33.0	
Total	4,404.8	

Breakdown of bonds	<JPY bn>	
Straight bonds	2,353.7	
Subordinated bonds	1,302.4	
(Hybrid bonds)	(462.9)	
Foreign currency denominated bonds (SBG)	861.1	
Total	4,517.2	

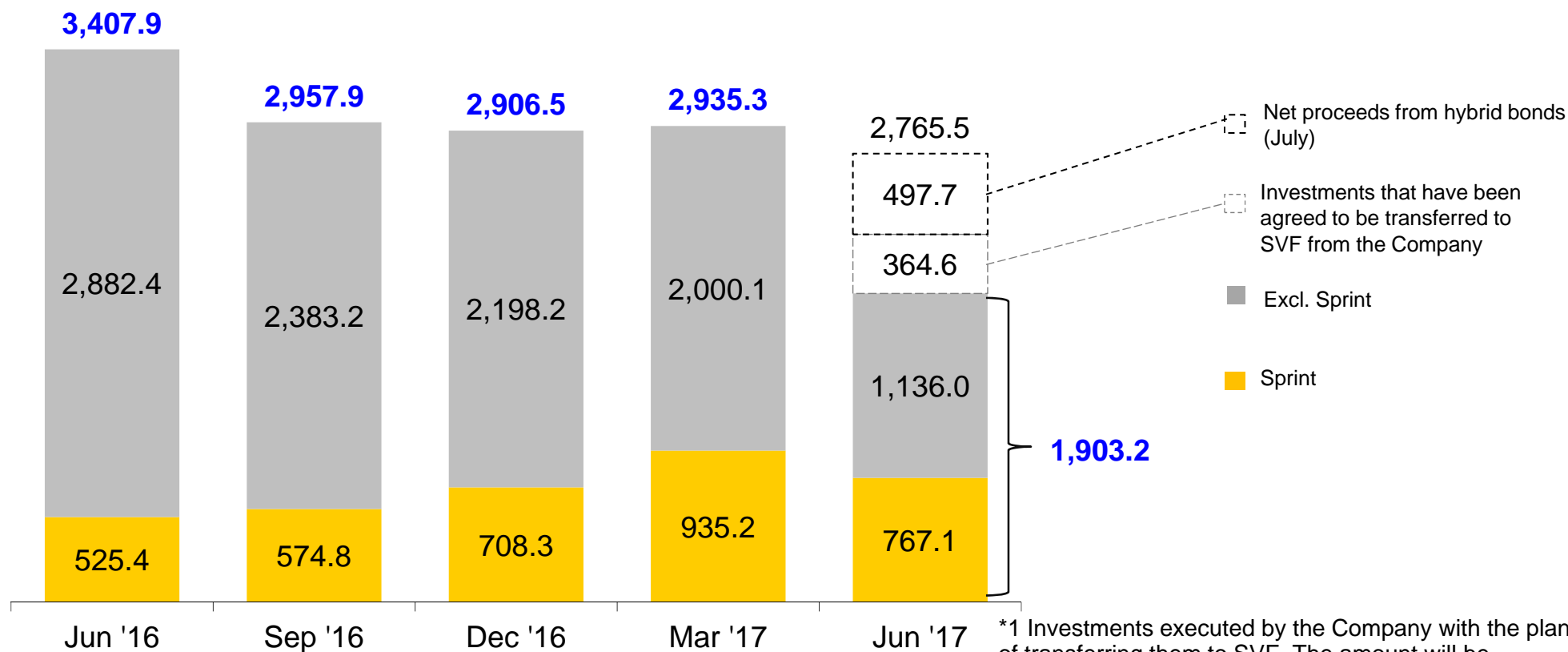
Breakdown of borrowings	<JPY bn>	
Sprint Acquisition Loan	1,470.9	
Arm Bridge Loan	992.0	
Securitization of receivables	558.8	
Other	975.4	+178.4 (Short-term borrowings)
Total	3,997.1	

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

Cash Position

Temporarily decreased due to bridge investments for SVF,^{*1} payment of income taxes (JPY 250.7 bn), and early redemption of certain corporate bonds by Sprint (JPY 189.3 bn).

<JPY bn>



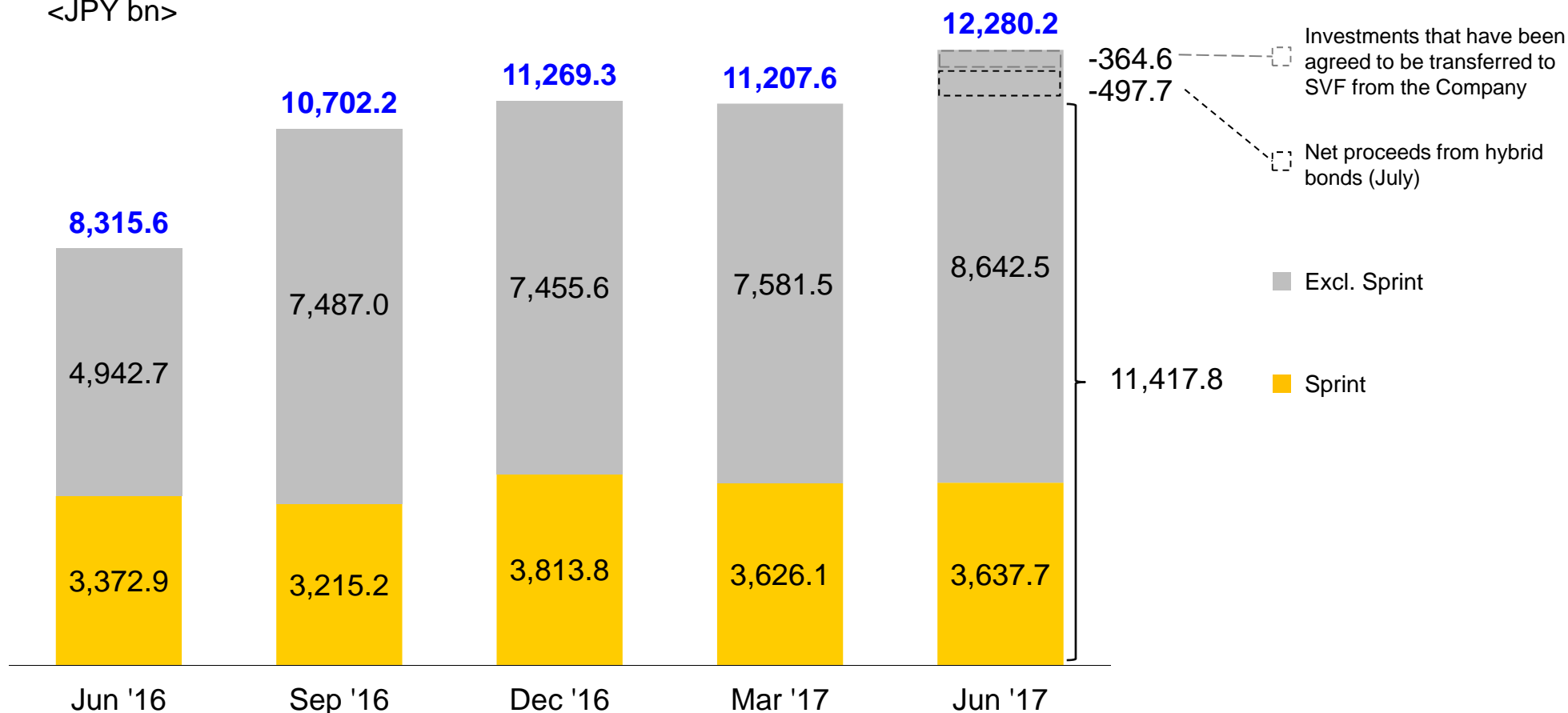
*1 Investments executed by the Company with the plan of transferring them to SVF. The amount will be recovered from SVF after the completion of transfer. These investments are presented as investments from SVF in the Company's consolidated balance sheet. 34

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

Net Interest-bearing Debt

Slightly increased due to bridge investments for SVF and payment of income taxes (JPY 250.7 bn).

<JPY bn>



*1 Net interest-bearing debt = interest-bearing debt – cash position

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

Foreign Currency-denominated Hybrid Notes

The first offering of hybrid notes denominated in foreign currencies by a Japanese corporate issuer.

Successfully raised USD 4.5 bn (approx. JPY 500 bn) in total.

		Foreign-currency denominated Hybrid Notes		(Ref.) Domestic Hybrid Bonds
Issuance timing		July 2017		September 2016
Maturity		Perpetual NC6	Perpetual NC10	25 years NC5 27 years NC7
Issuance size		USD 2.75 bn (JPY 311.3 bn ^{*1})	USD 1.75 bn (JPY 198.1 bn ^{*1})	JPY 471.0 bn
Interest rate		6.000% (JPY basis:3.15% ^{*2})	6.875% (JPY basis:3.61% ^{*2})	3.016% (average)
Equity credit	Accounting (IFRS)	Equity		Debt
	Ratings (S&P, JCR)	50%		50%

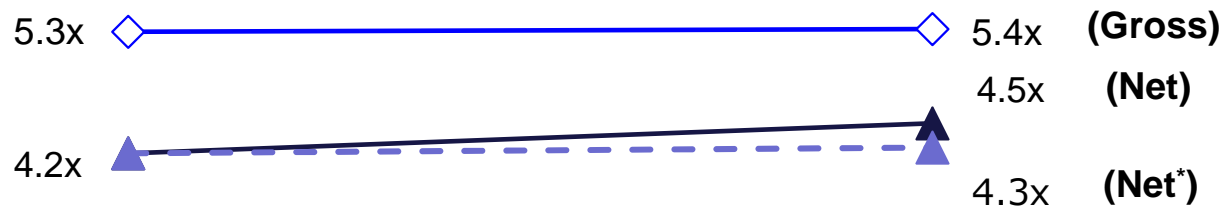
*1 Exchange rate: USD 1 = JPY 113.20

*2 Interest rate on JPY basis is based on the market data related to swap as of July 12, 2017 without considering any swap cost.

Leverage Ratio

Substantially stable.

Leverage Ratio (Gross / Net)



*After the consideration of 50% equity credit of the hybrid bonds issued in July, and recovery from SVF of the investments that SBG plans to transfer to SVF

Mar '17

Jun '17

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

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

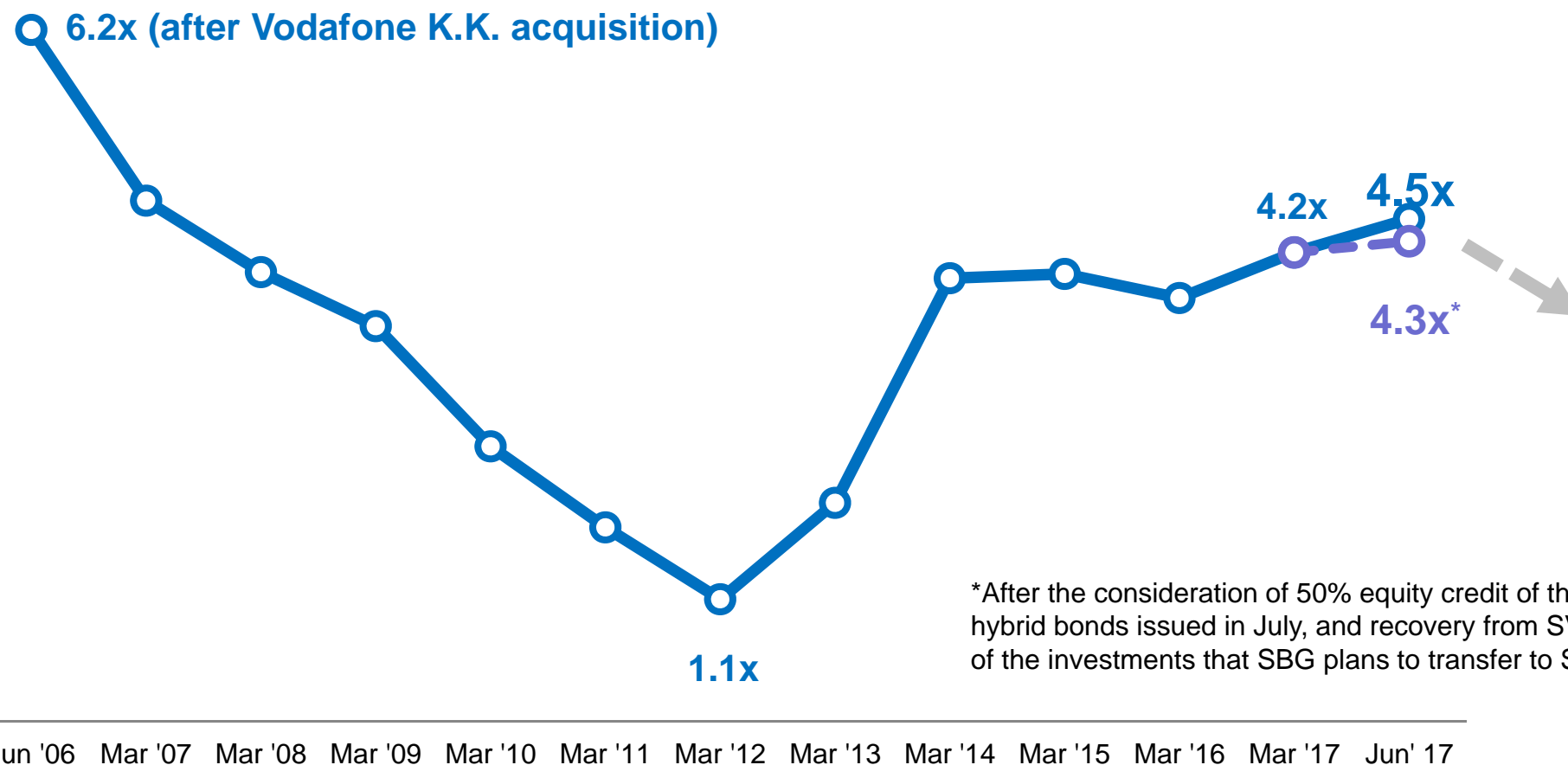
*3. Calculation of adjusted EBITDA uses LTM (Last Twelve Months).

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

*5. Cash position includes cash to be received for the sale of Supercell shares and cash to be recovered from SVF for the investments that have been agreed to be transferred to SVF from the Company.

Net Leverage Ratio (Consolidated)

Continued focus on lowering leverage for a mid-term range.



*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 adjusted EBITDA is annualized.

*5. Revenues related to sales of Supercell shares and cash to be recovered from SVF for the investments that have been agreed to be transferred to SVF from the Company 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.

Leverage Ratio of Domestic Telco Business and Debt Coverage Ratio



Domestic Telco
 SoftBank
 (incl. Sprint acquisition cost)

Other

 Etc.

Net interest-bearing debt	JPY 3.5 tn				
		=			
Adjusted EBITDA	JPY 1.2 tn			2.9x	

Net interest-bearing debt	JPY 4.4 tn				
		=			
Equity value of holdings	JPY 20.4 tn			21%	

*Net interest-bearing debt as of June 30, 2017; adjusted EBITDA based on FY17Q1 LTM; and holding value of listed companies as of August 4, 2017.

USD 1 = JPY 111.00 (as of August 4, 2017)

*After the consideration of 50% equity credit of the hybrid bonds issued (September 2016 and July 2017).

*After the consideration of the recovery from SVF of the investments that SVF has agreed to transfer to SVF, and of the investments that SBG plans to transfer to SVF.

Leverage ratio of Domestic Telco Business and Debt Coverage (details)

Domestic Telco	Other	
2.9x	21%	
Domestic Telco Net interest-bearing debt (Sprint acquisition cost) JPY 3.5t	Net interest-bearing debt (consolidated basis)	+JPY 12.3t
	- Net interest-bearing debt (Sprint, YJ, Domestic Telco)	- JPY 6.7t
	- Recovery of SBG bridge investments (investments that have been agreed or planned to be transferred to SVF)	- JPY 0.7t
	- 50% of hybrid bonds (incl. those issued in July)	-JPY 0.5t
	Net interest-bearing debt: JPY 4.4t in total	
Domestic Telco Adjusted EBITDA JPY 1.2t	Market cap. of listed holdings (Alibaba, Sprint, YJ, etc.)	+JPY 15.6 t
	Arm (on acquisition)	+JPY 3.5t
	Equity value of non-listed holdings (fair value)*	+JPY 1.2t
	Equity value of holdings: JPY 20.4t in total	

* Totals of book value of shares of non-listed holdings that are recognized as financial instruments at FVTPL or at FVTOCI as of June 30, 2017.

Equity Attributable to Owners of the Parent Ratio

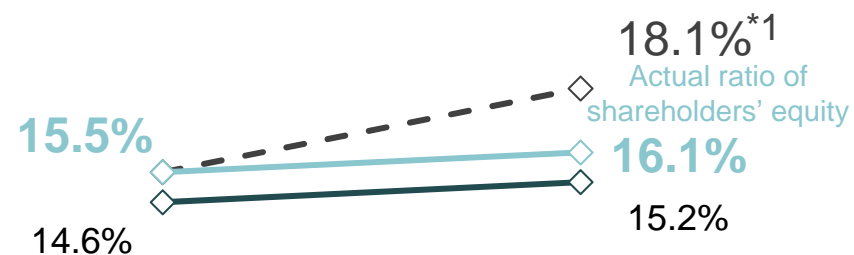
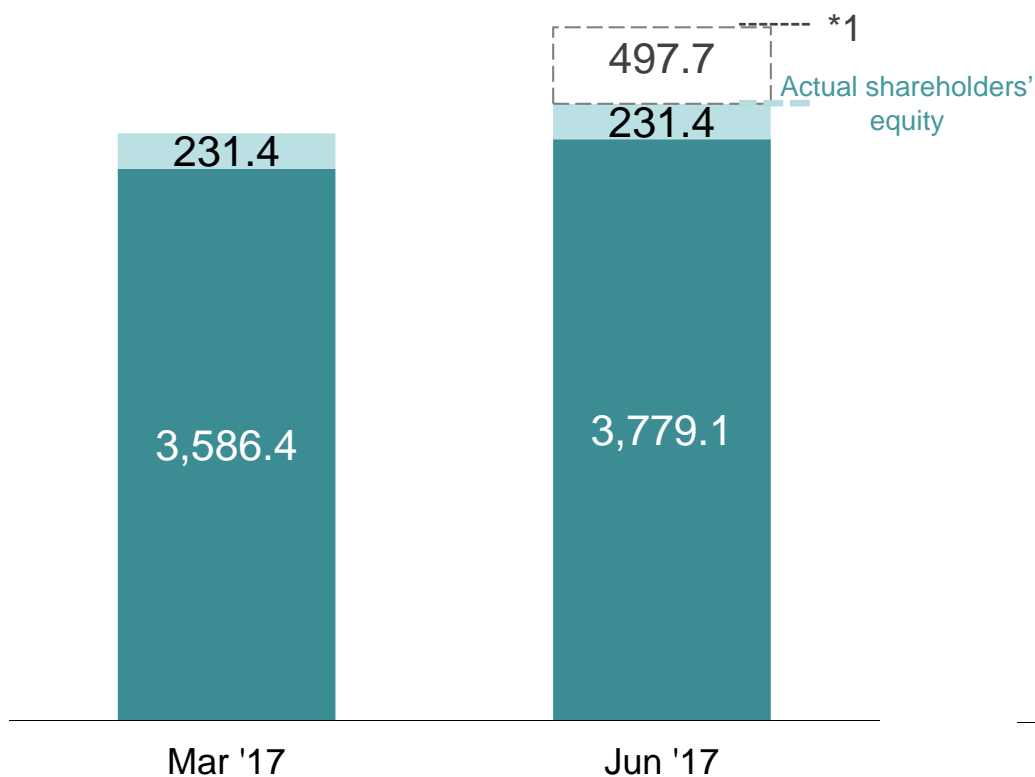


Firm equity level.

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

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

<JPY bn>

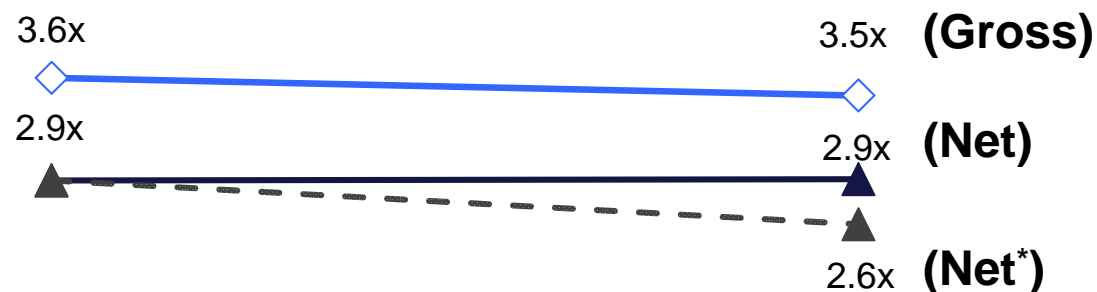


*1 After consideration of foreign currency-denominated hybrid bonds

*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)



*After the consideration of 50% equity credit of the hybrid bonds issued in July, and recovery from SVF of the investments that SBG plans to transfer to SVF

Mar. '17

June '17

*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 includes cash to be received for the sale of Supercell shares and cash to be recovered from SVF for the investments that have been agreed to be transferred to SVF from the Company.

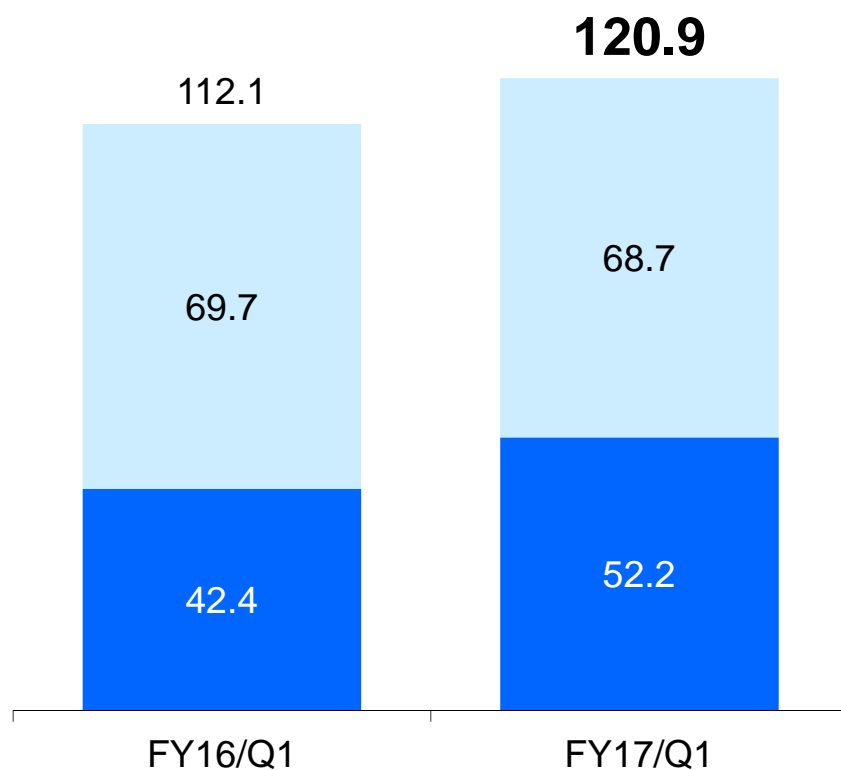
Interest Expense

Increased year on year due to acquisition of Arm.

Interest Expense (finance cost)

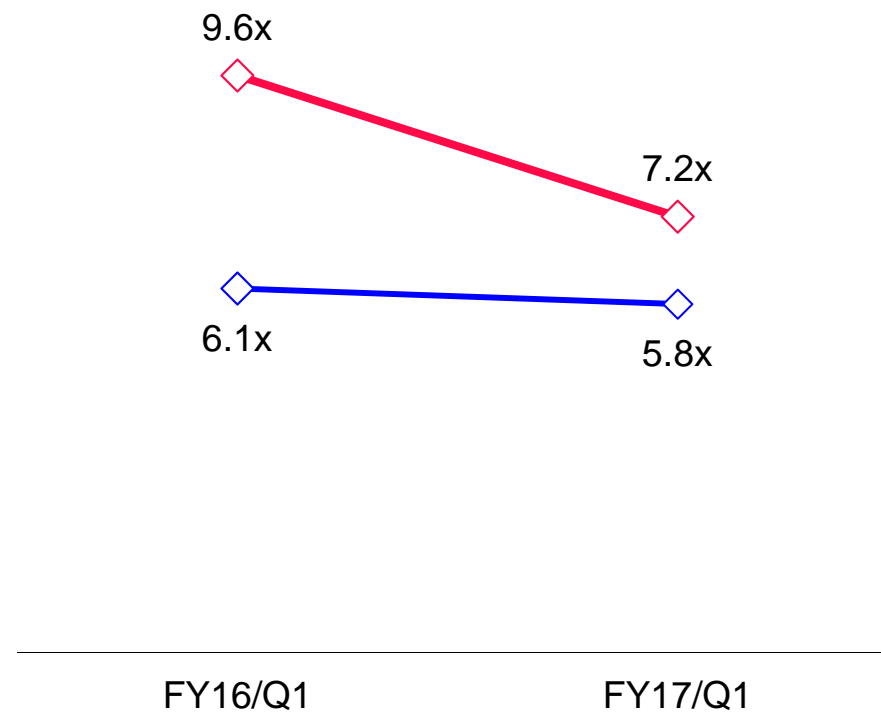
<JPY bn>

■ Excl. Sprint ■ Sprint



Interest Coverage Ratio

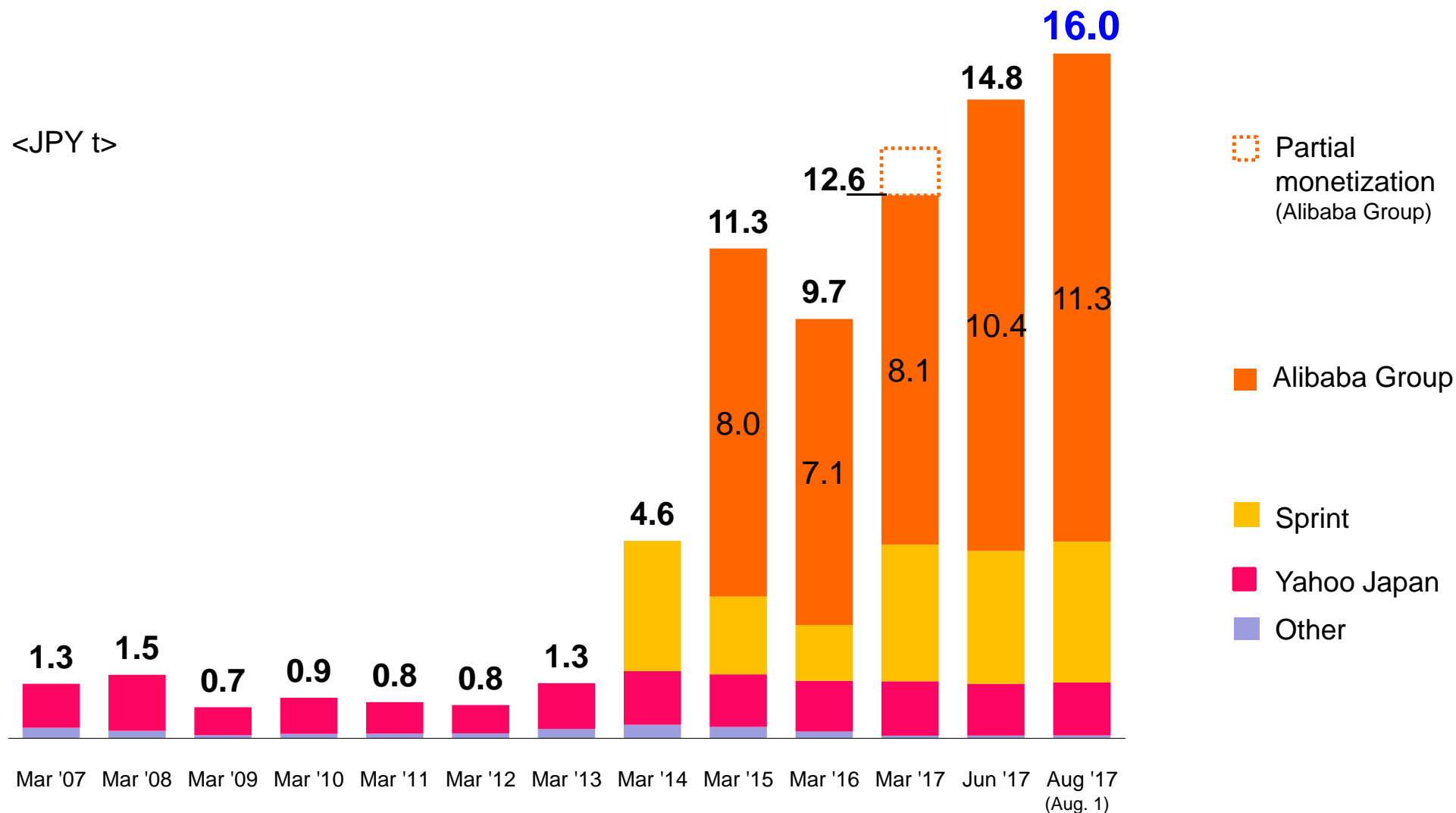
◆ Excl. Sprint ◆ Consolidated



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

Market Cap of Major Listed Holdings Held by SBG and Its Subsidiaries

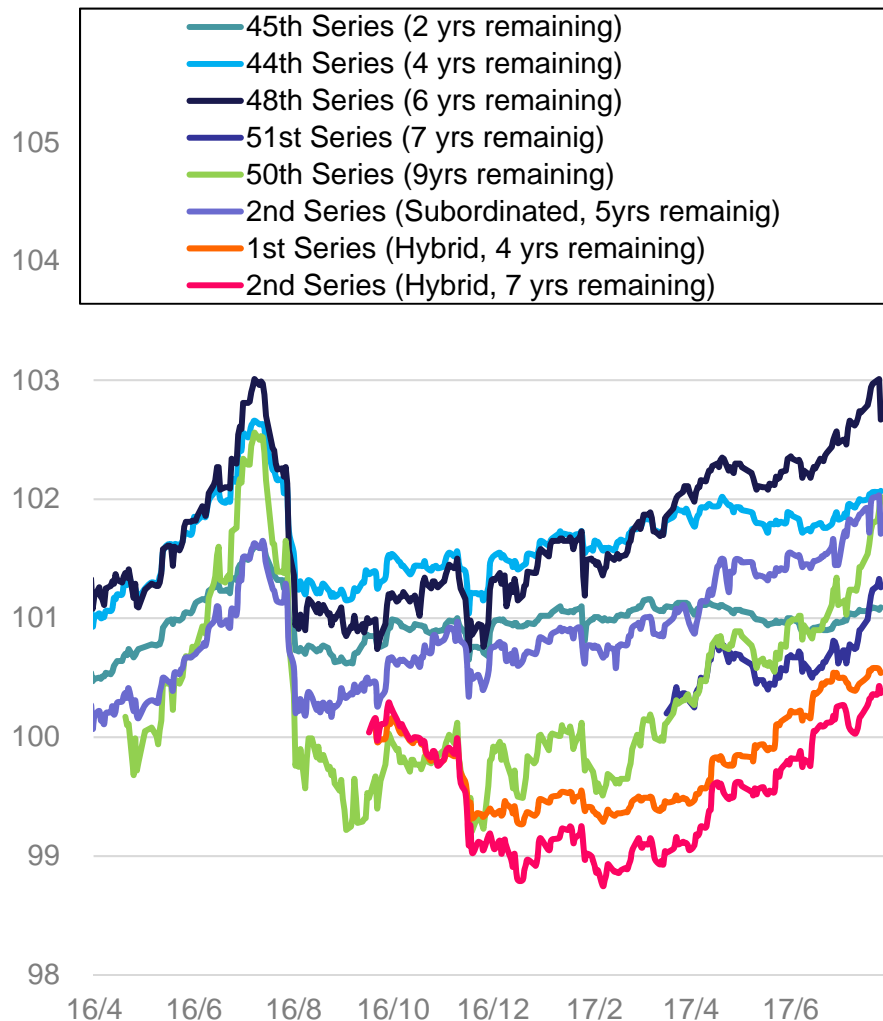
Listed holdings amount to JPY 16t.



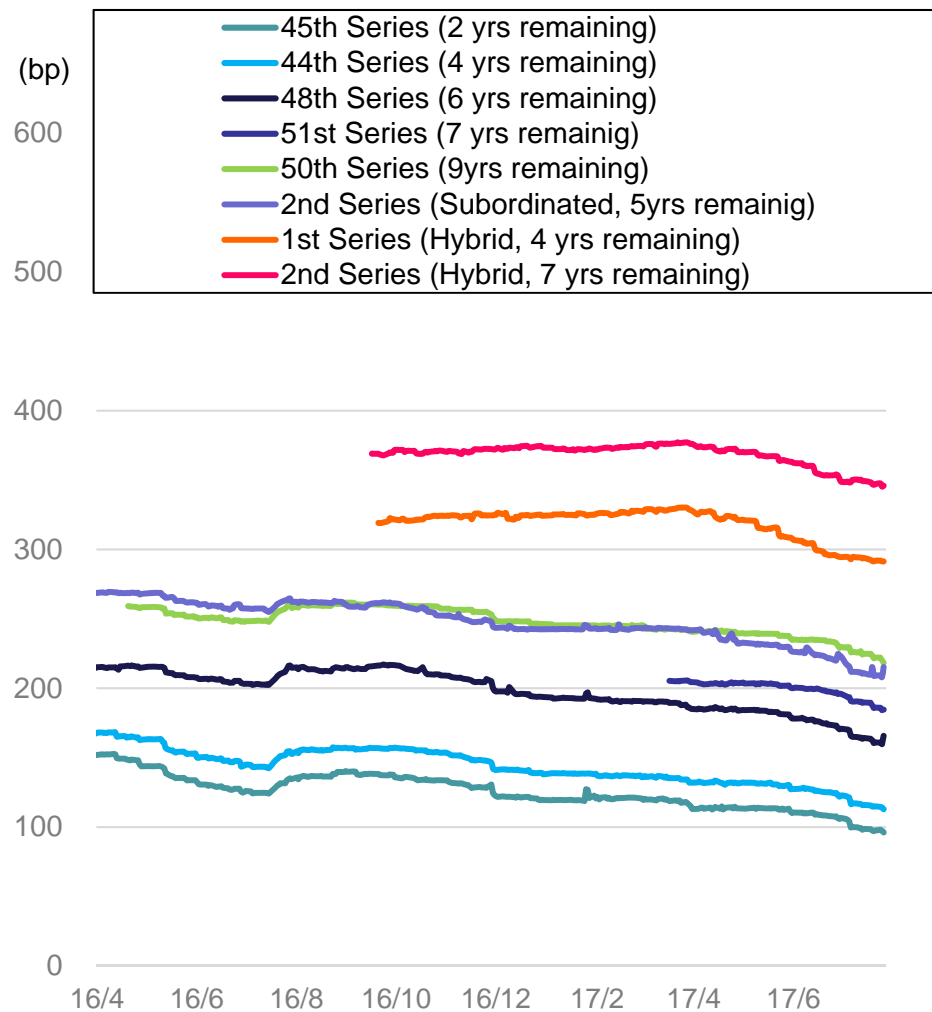
* Calculated by SBG based on closing prices of each quarter-end unless otherwise stated.

SBG: Price and Spread of Domestic Currency Denominated Bond

Domestic Currency Denominated Bond Price



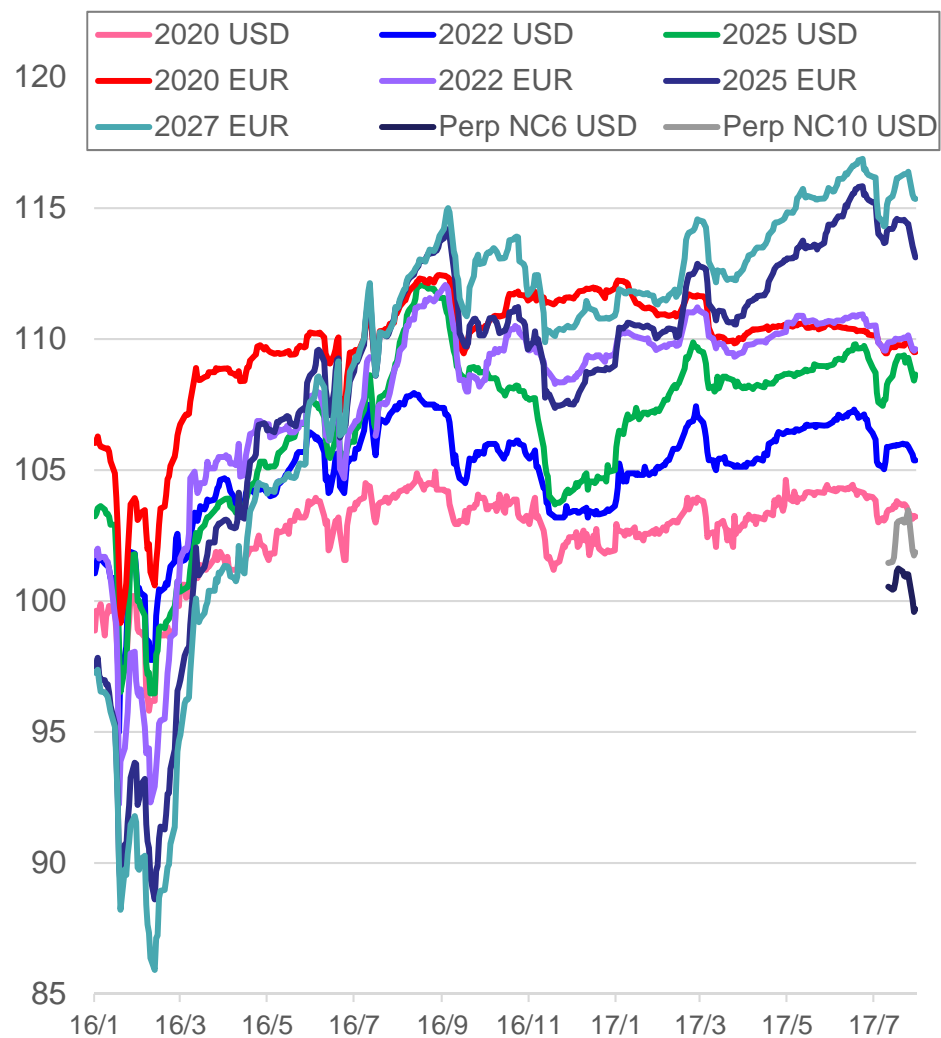
Domestic Currency Denominated Bond Credit Spread



(Source) Created by SBG based on Bloomberg data
 Remaining years of hybrid bonds shows maturity of first call. Credit spread of hybrid bonds are over swap rate.

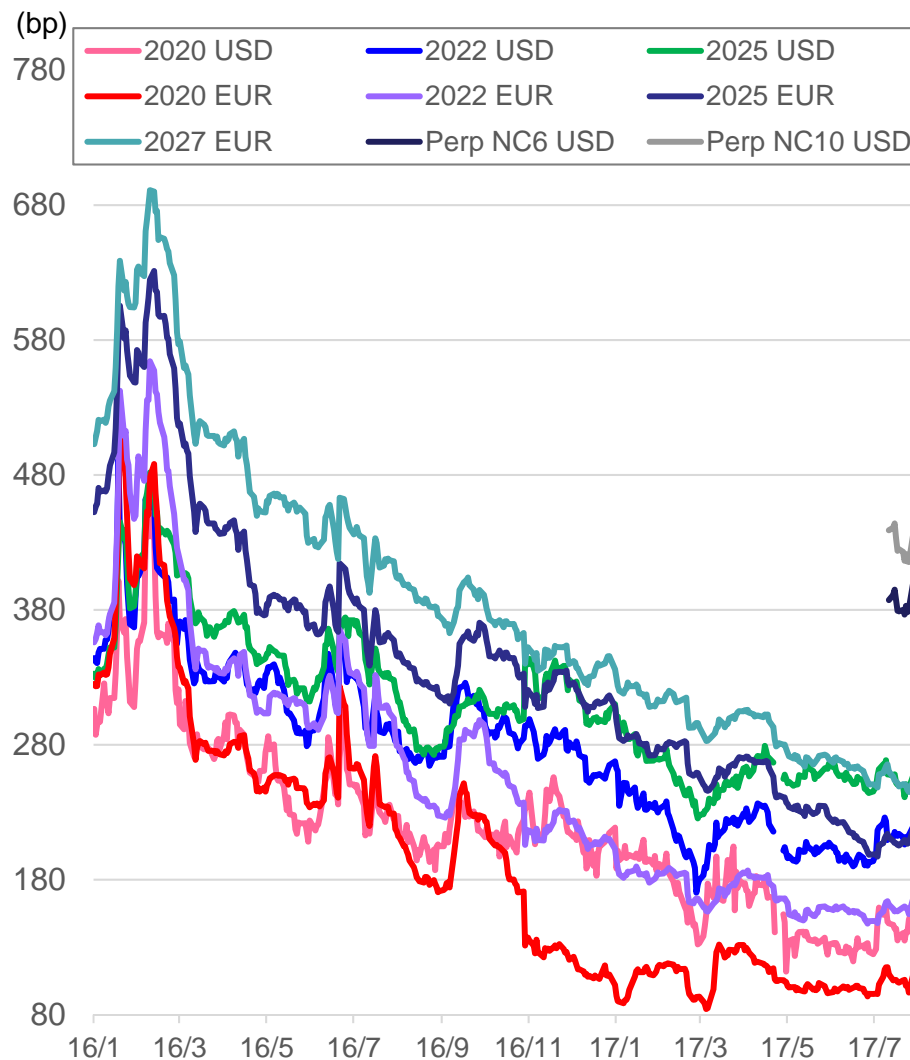
SBG: Price and Spread of Foreign Currency Denominated Bond

Foreign Currency Denominated Bonds Price



(Source) Created by SBG based on Bloomberg data

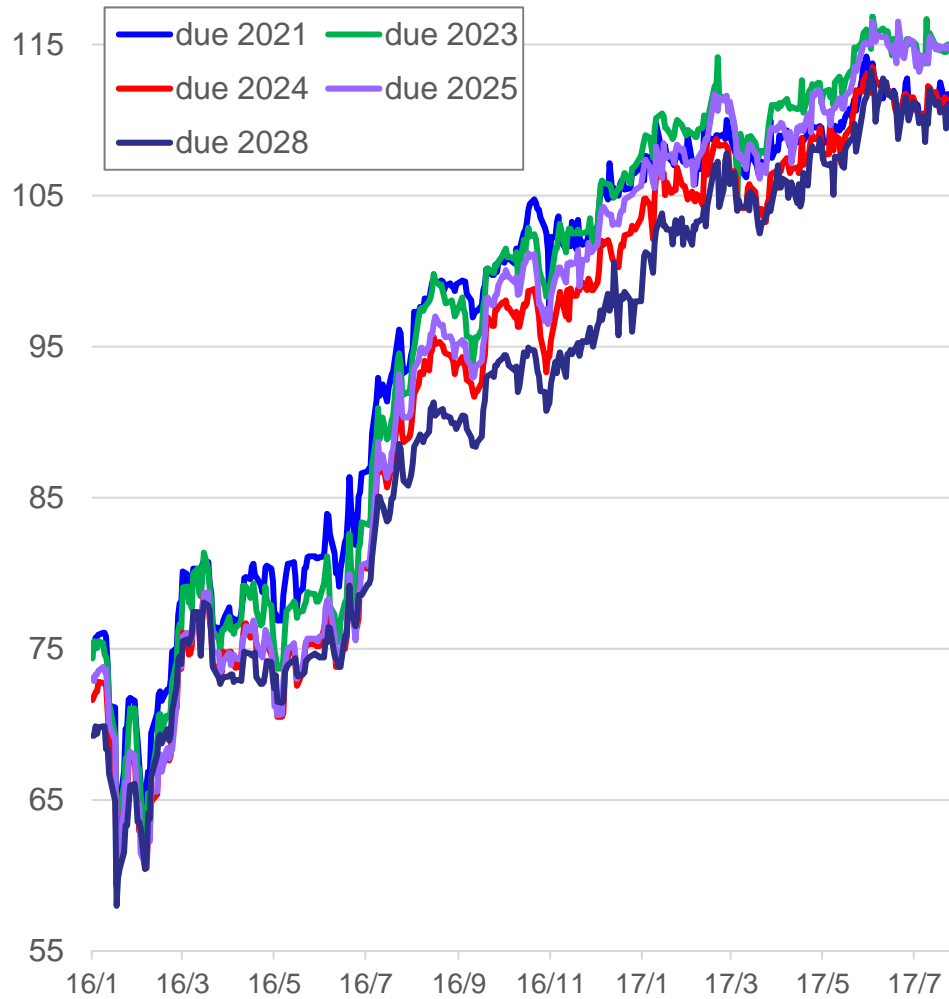
Foreign Currency Denominated Bonds Spread



(Source) Created by SoftBank Group based on Bloomberg data

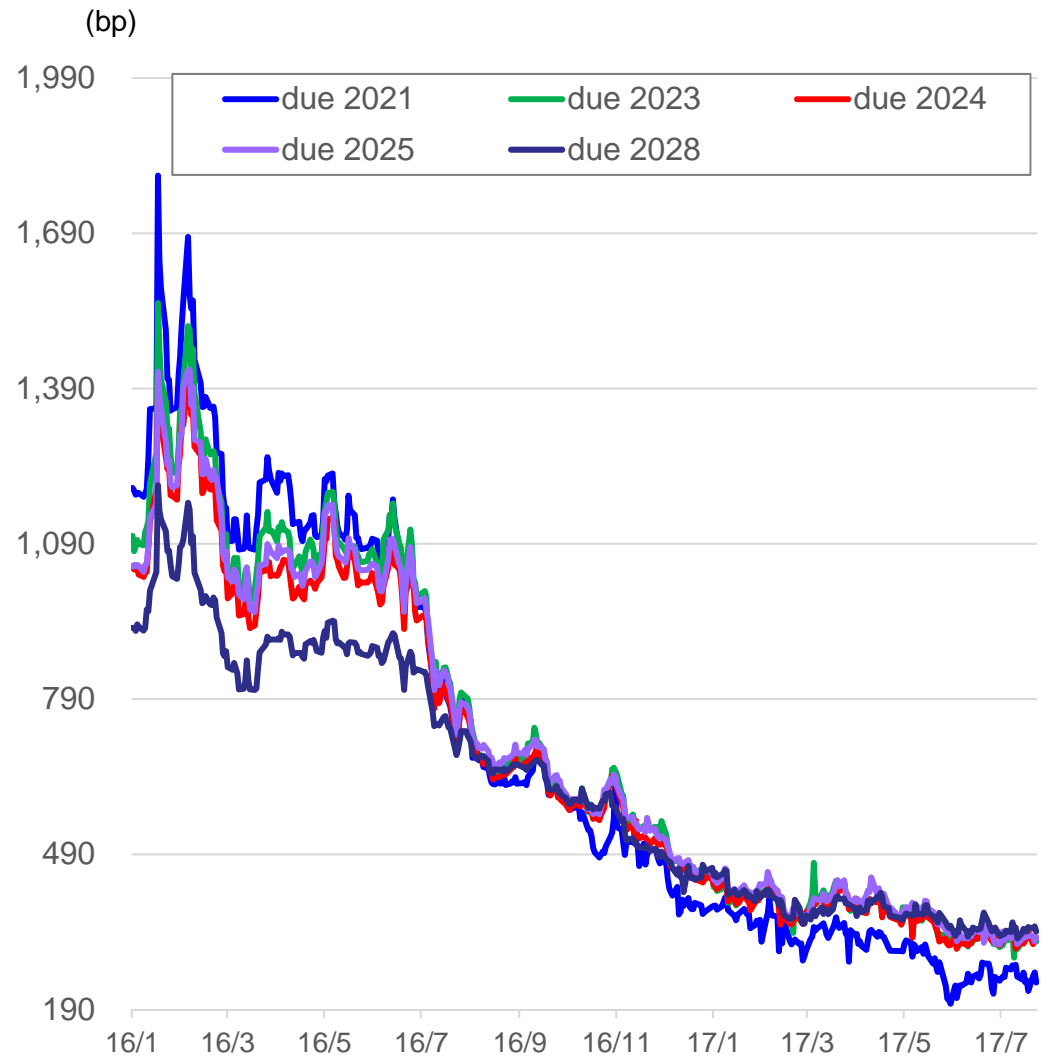
Sprint: Price and Spread

Sprint Senior Notes Price



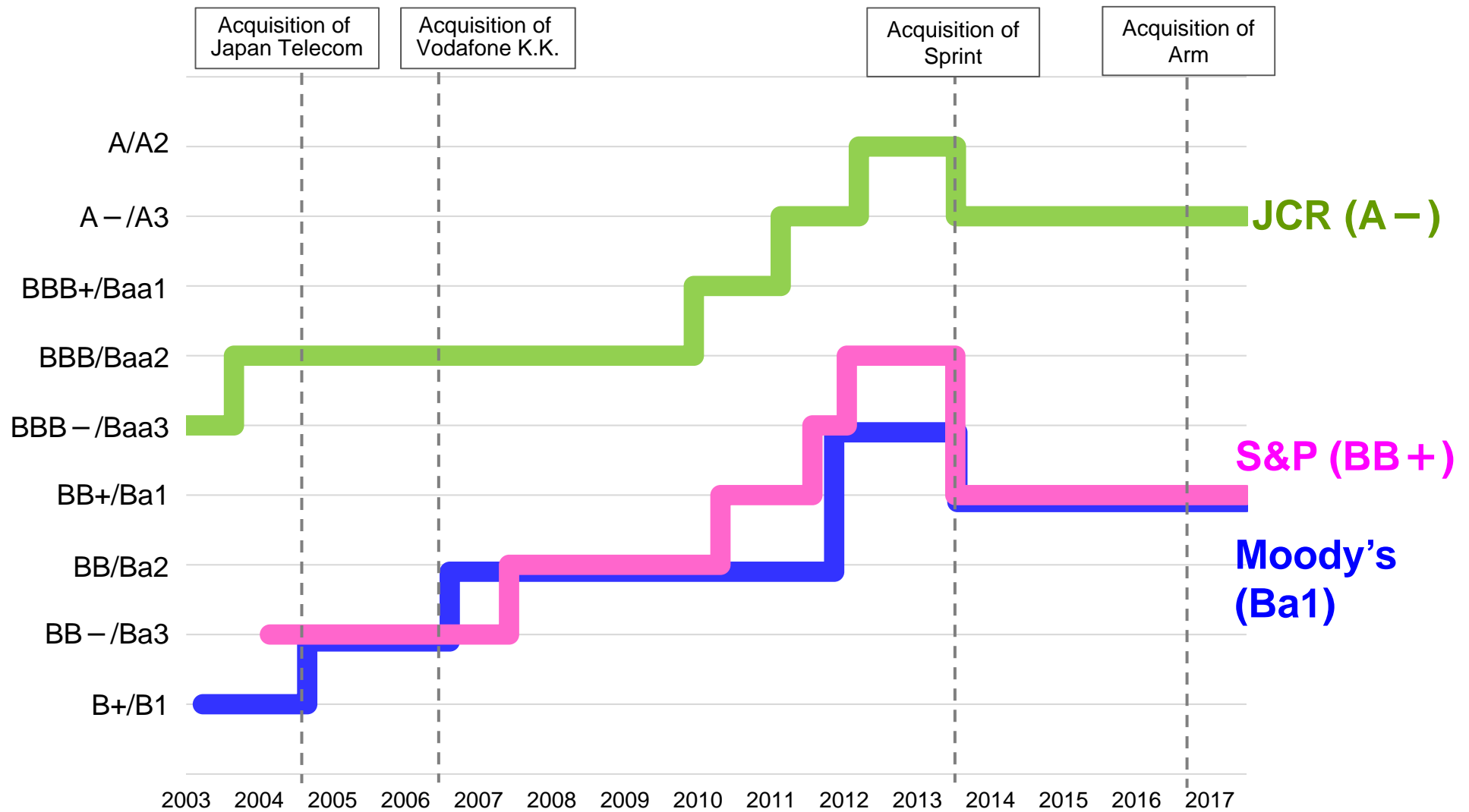
(Source) Created by SBG based on Bloomberg data

Sprint Senior Notes Spread



(Source) Created by SBG based on Bloomberg data

Trend of Credit Rating of SBG

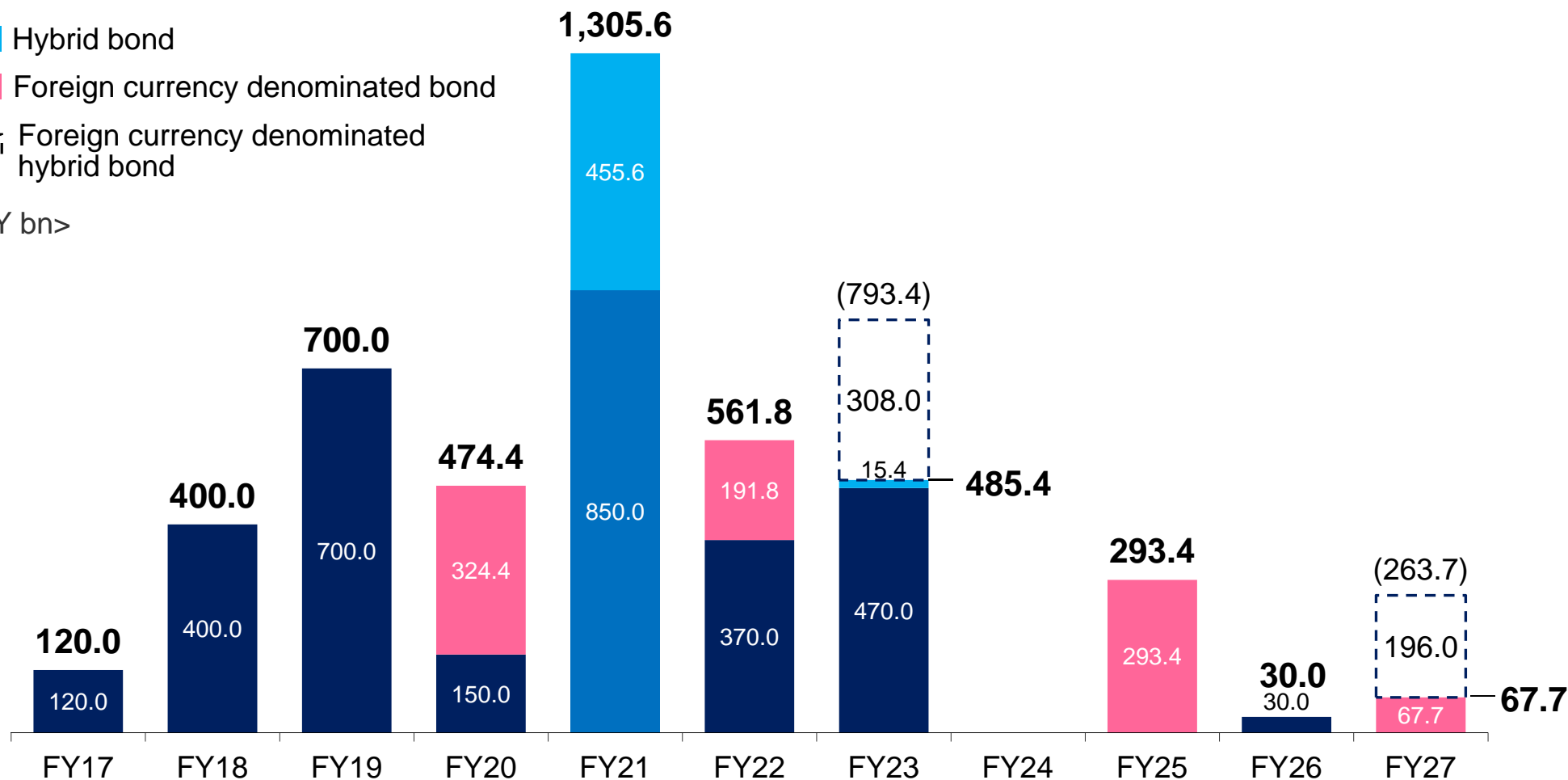


*Calendar year

SBG Bond Redemption Schedule

- Straight bond
- Subordinated bond
- Hybrid bond
- Foreign currency denominated bond
- ⌈-⌋ Foreign currency denominated hybrid bond

<JPY bn>



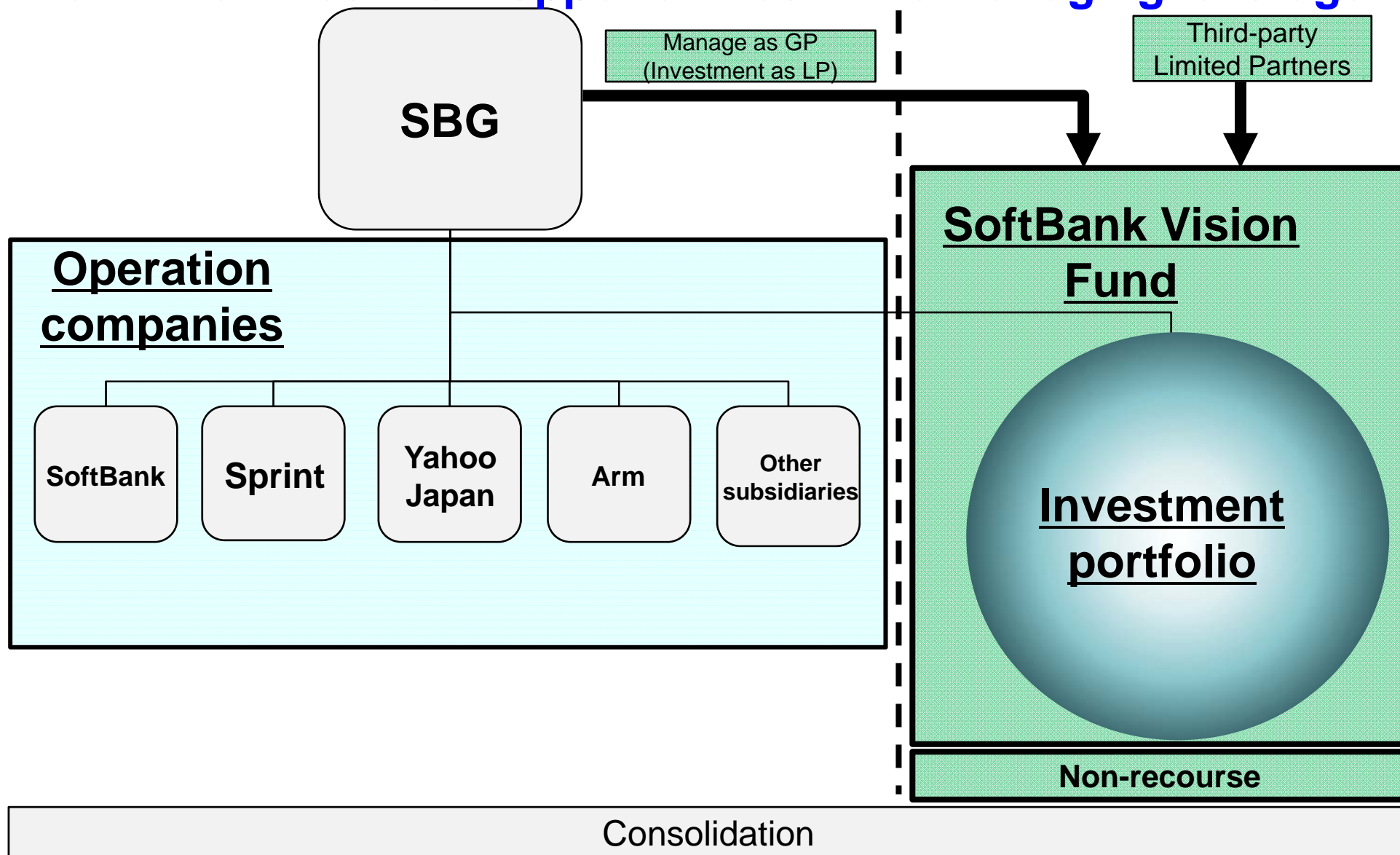
*1. The balance is as of June 30, 2017, except for the foreign currency-denominated bonds issued in July 2017.

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

*3. Exchange rate: USD 1 = JPY 112.00

SoftBank Vision Fund Financial Significance (concept)

Maximize investment opportunities while managing leverage.



Balance SoftBank Vision Fund and credit improvement

SoftBank Vision Fund:

A new investment strategy that accelerates enterprise value-oriented management

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

Improve credit:

Establish finance base that supports new investment strategy

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

Enhance stakeholder's satisfaction with new financial strategy

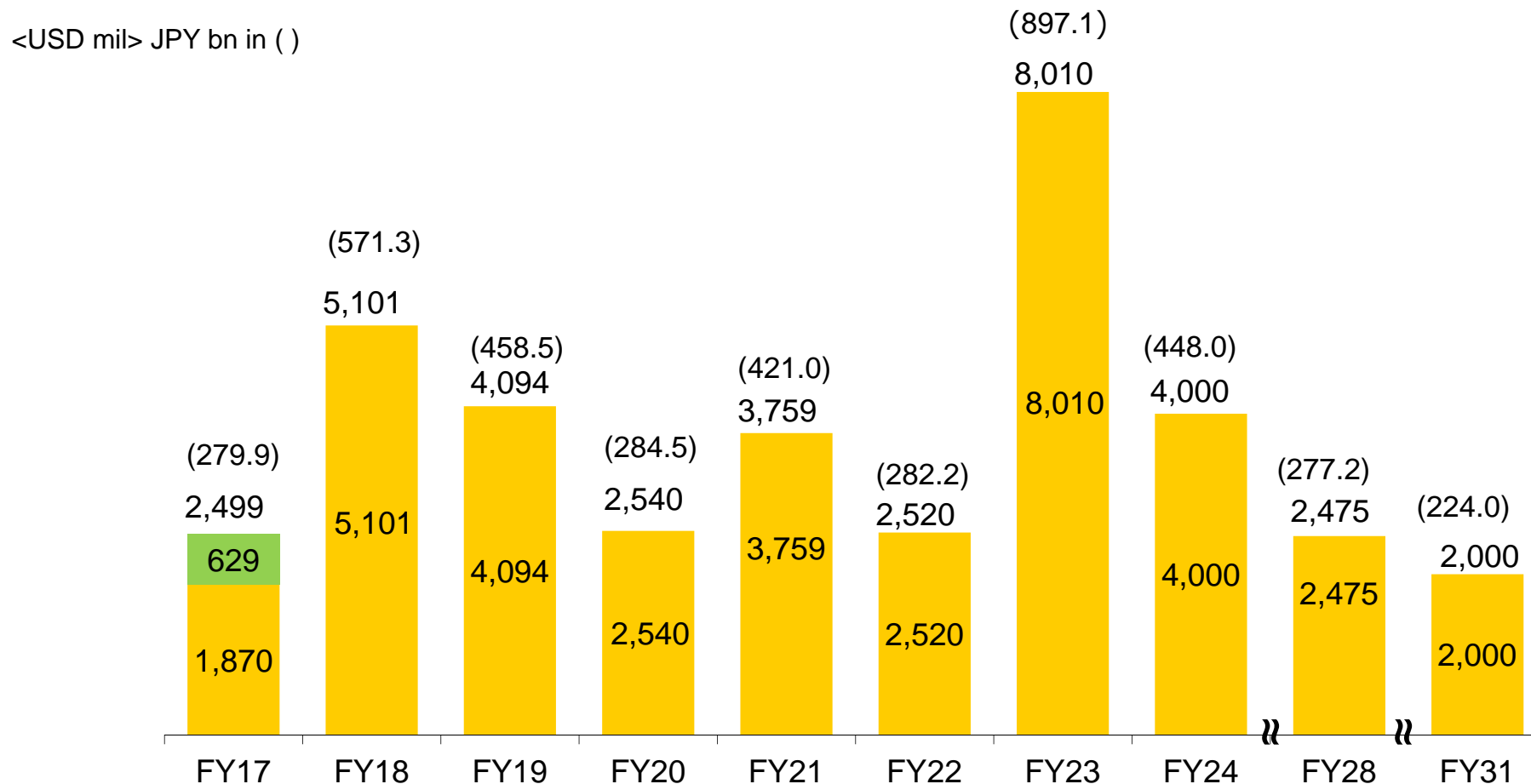
- Full consideration to credit investors and credit ratings
- Enhance satisfaction with disclosure through thorough communications
- From "discount" to "premium"

Toward next stage with understanding of stakeholders

(Reference)

Sprint Debt Maturities

- Sprint notes and credit facilities
- Clearwire Notes



*1 The balance as of June 30, 2017.

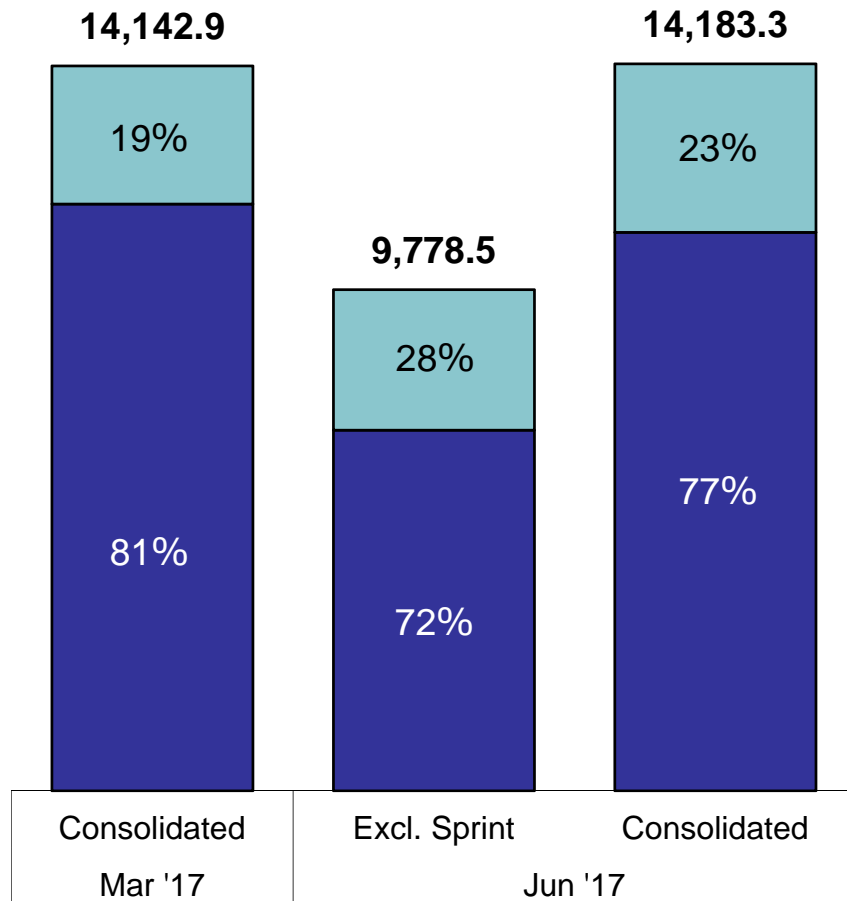
*2 USD 1 = JPY 112.00

Interest-bearing Debt: Breakdown by Long/Short and Fixed/Variable

Interest-bearing Debt Long / Short Ratio

<JPY bn>

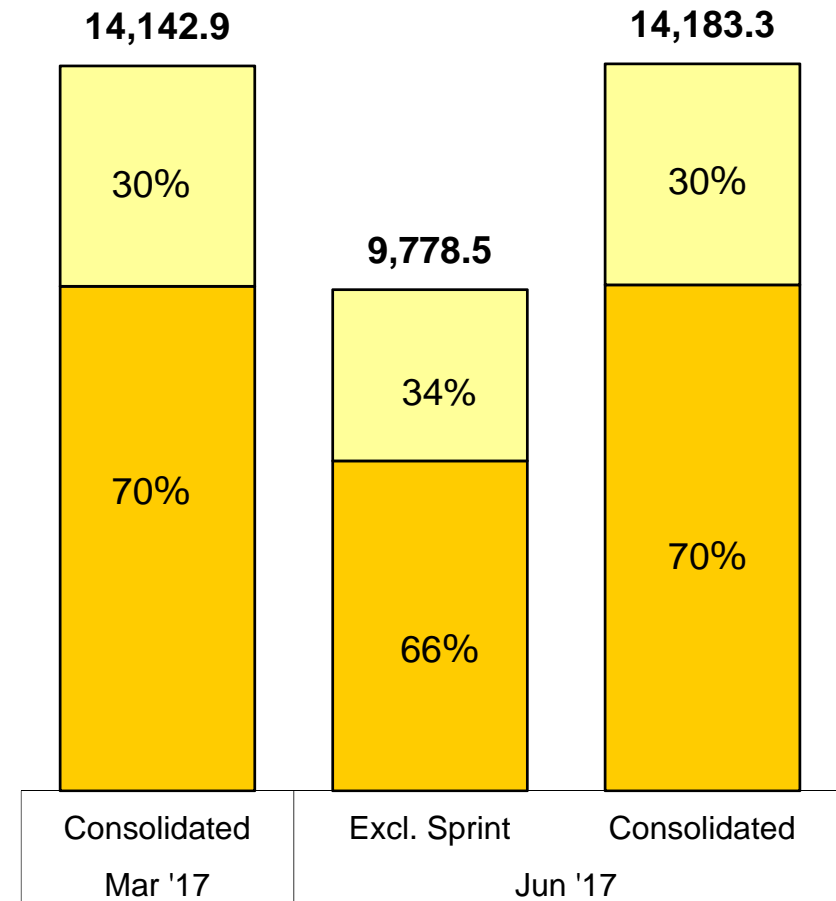
■ Long-term ■ Short-term



Interest-bearing Debt Fixed / Variable Ratio

<JPY bn>

■ Fixed ■ Variable



Domestic Telecommunications

1. Growth Strategy



(1) Expand customer base

2. Enhance Upfront Investment

Expansion of
customer base

Y!mobile



Home Bundle Discount

Customer rewards

ギガモンスター

SUPER! FRIDAY

*Smartphone Debut
Discount*

**Long-term loyalty
benefits**

Synergy with
Yahoo Japan *

YAHOO! Shopping
JAPAN

10x loyalty points
everyday

YAHOO! Premium
JAPAN

All benefits
available

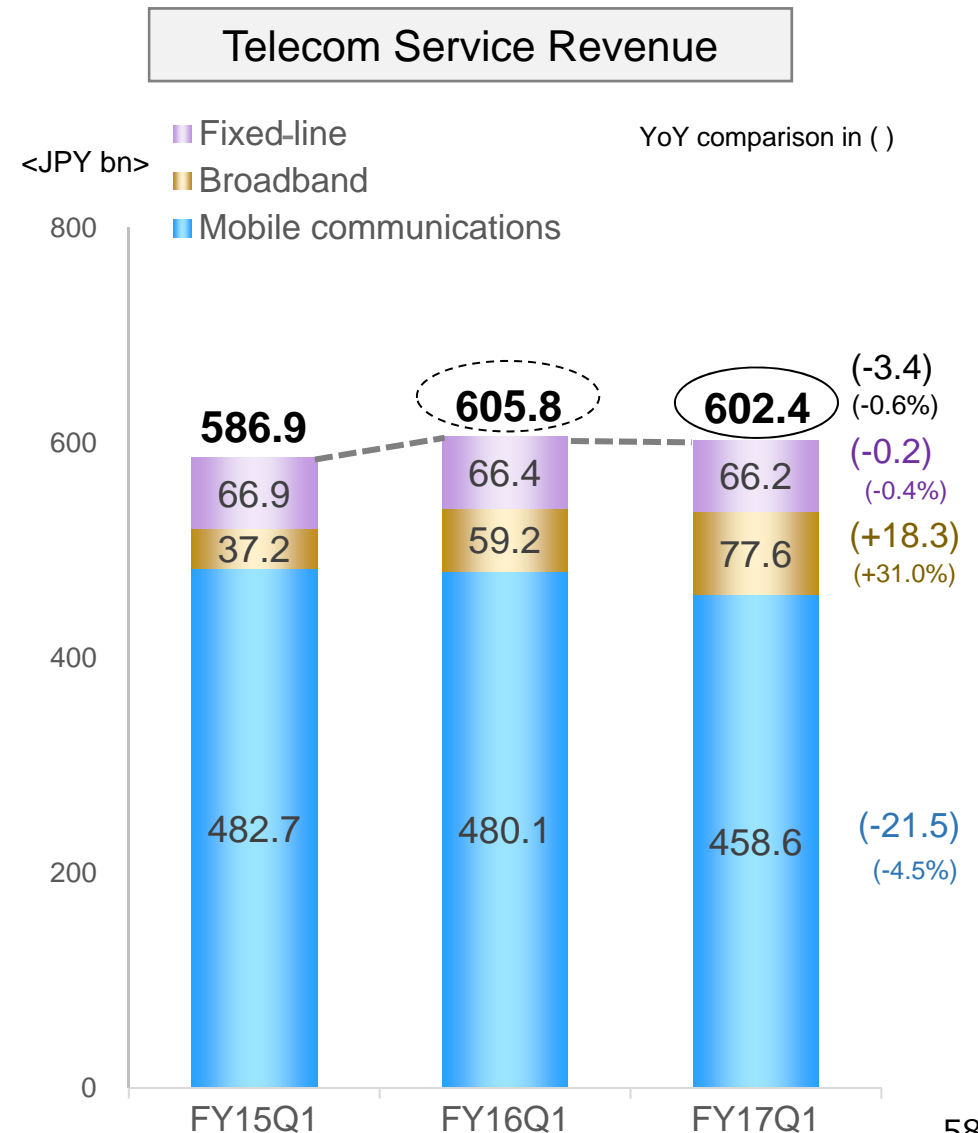
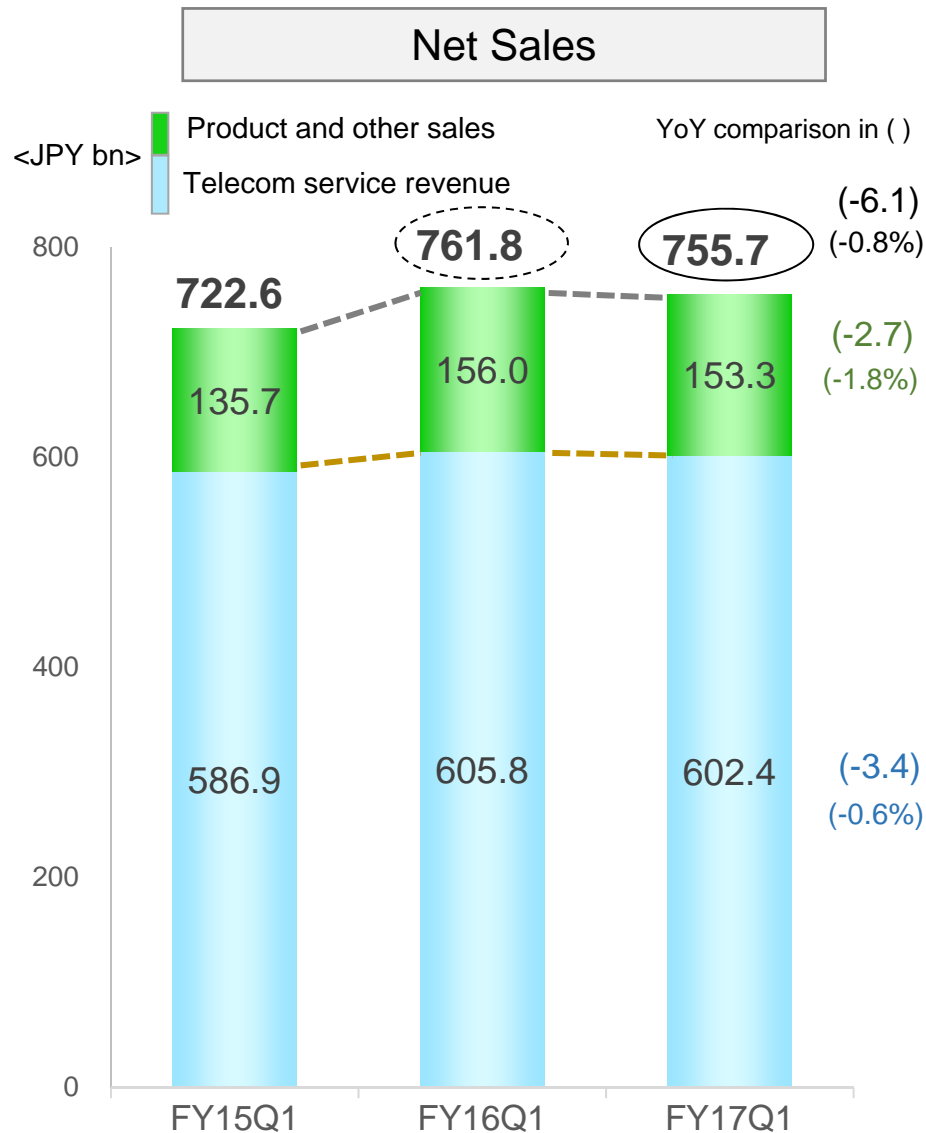
Promoting 2 brands marketing

SoftBank : Promote differentiation /
focus on upfront investment in FY2017

Y!mobile : **cost conscious / steady growth**

3. Net Sales

- FY17Q1 net sales was approx. JPY 755.7bn (-JPY 6.1bn YoY: telecom revenue -JPY 3.4bn, product and other sales -JPY 2.7bn).
- Broadband revenue grew steadily (+JPY 18.3bn YoY).



4. Operating Income/Adjusted EBITDA

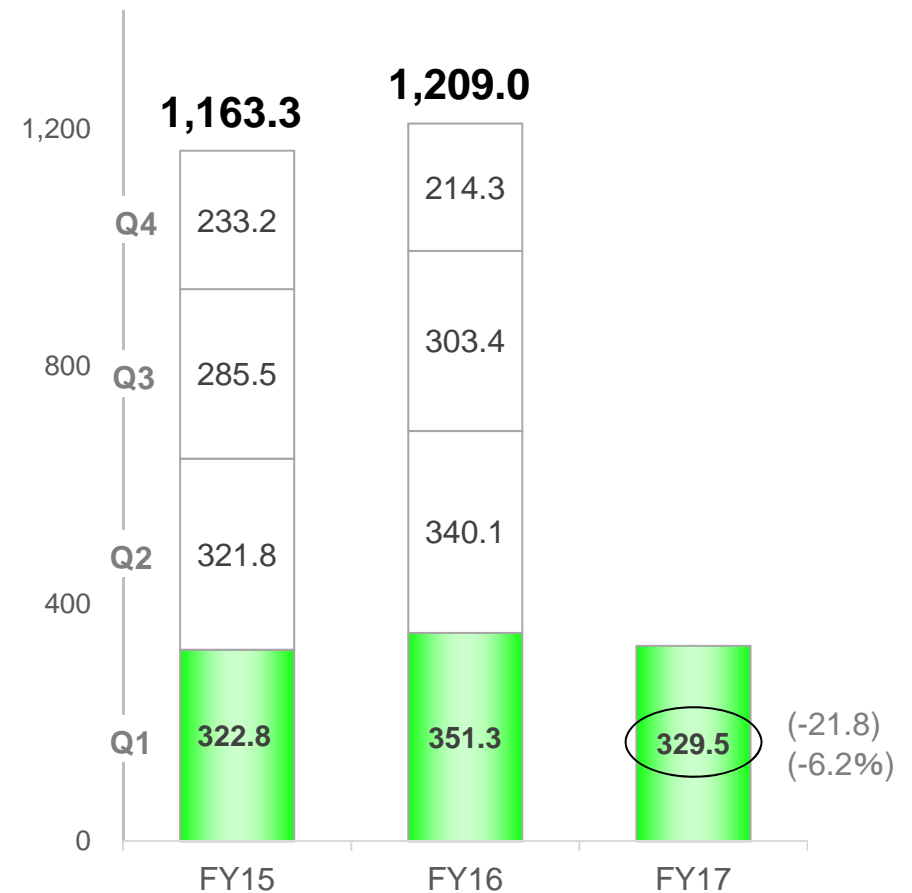
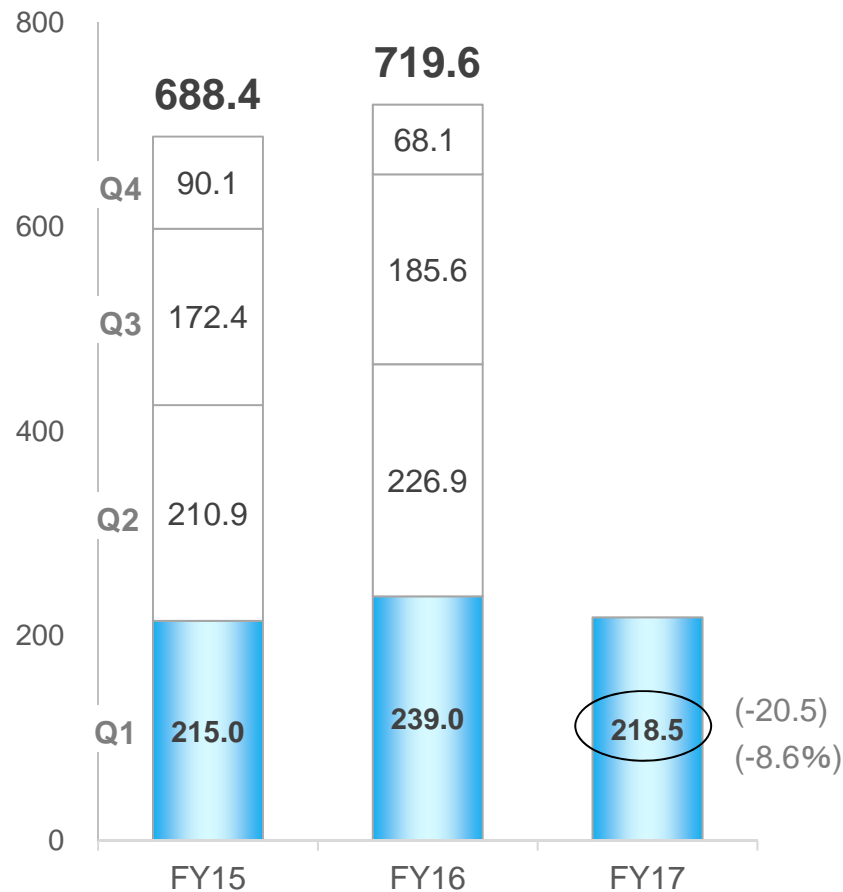
➤ FY17Q1 segment income marked JPY 218.5bn, down JPY 20.5bn YoY.

Operating Income/
Segment Income

Adjusted EBITDA

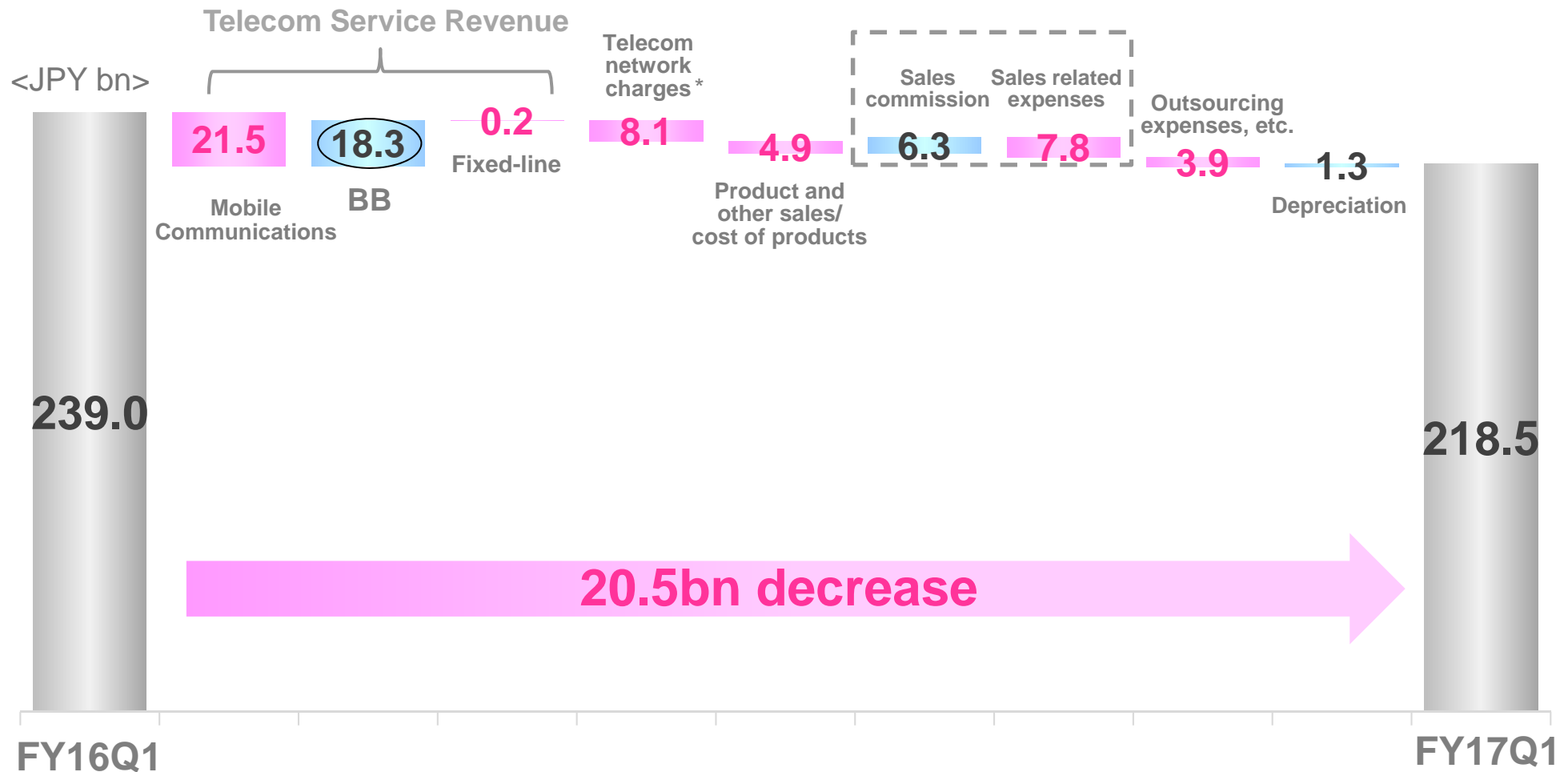
<JPY bn> YoY comparison in ()

<JPY bn> YoY comparison in ()



5. Segment Income Analysis

- Broadband drove topline growth.
- Mobile communications revenue decreased due to the impact of *Home Bundle Discount Hikari Set*, *Giga Monster*, and decreases in MBB and PHS.
- Cost increased due to upfront investment for customer acquisition.



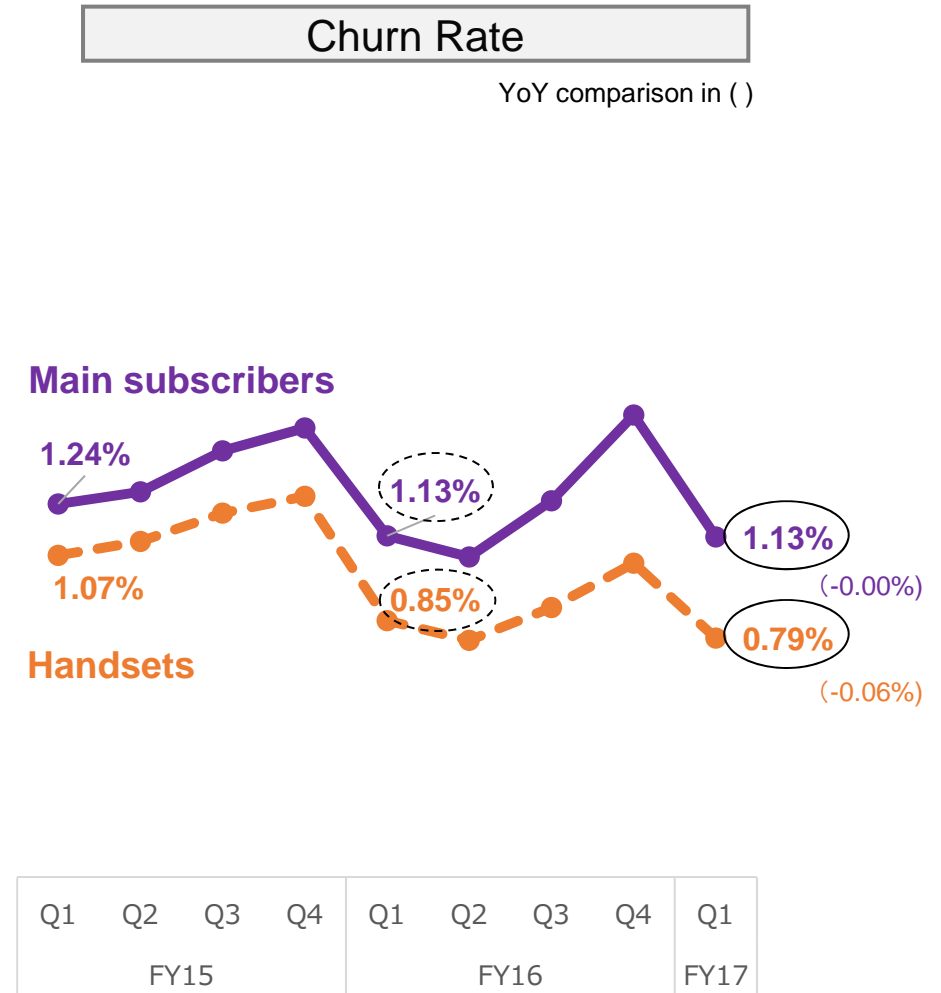
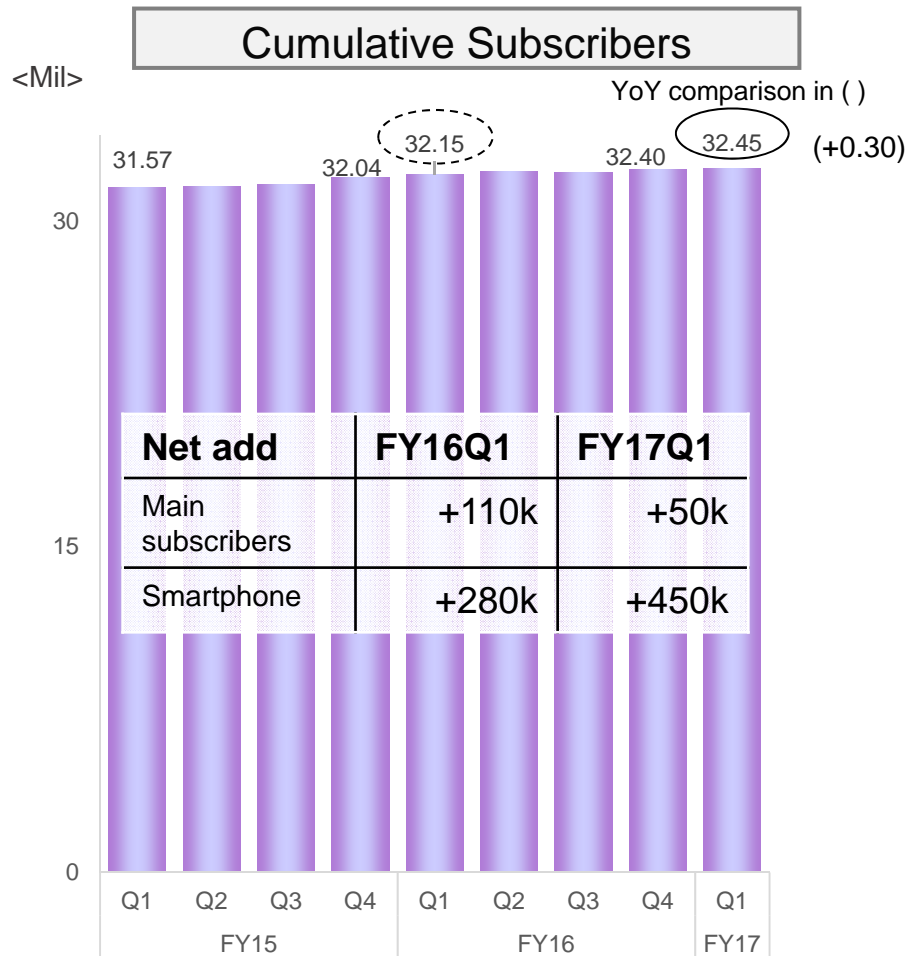
*Mainly due to an increase of connection charges payable to NTT accompanying an increase in broadband subscribers

4. Mobile Communications

Subscribers and Churn Rate (main subscribers)

- Subscribers: increased 300k YoY, smartphone increased 1,750k.
- Churn rate: flat YoY, steadily improved in handset churn, while deteriorating in MBB.

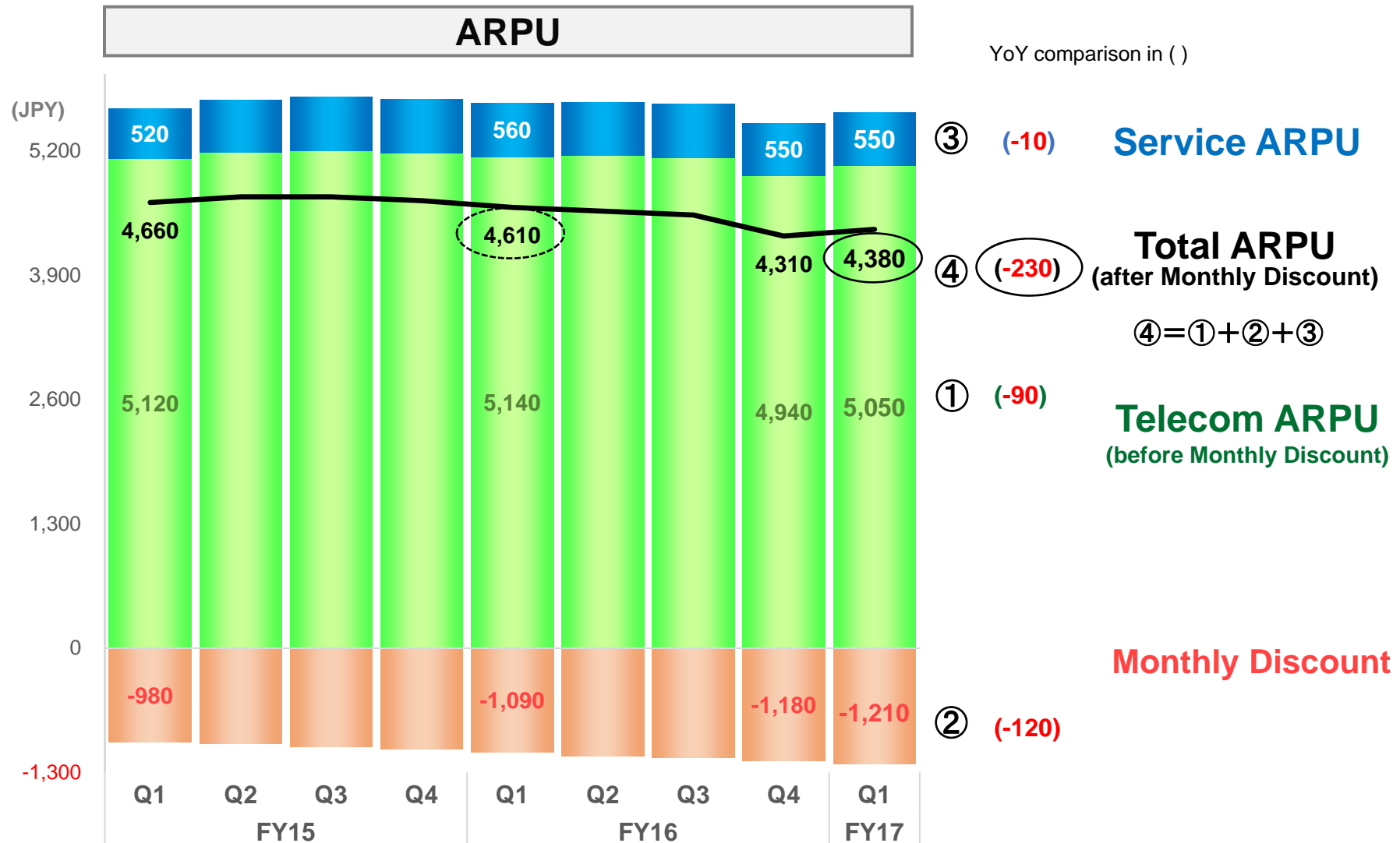
Main subscribers: handsets, tablets, and MBB*



*For definitions of main subscribers and churn rate, see page 70.

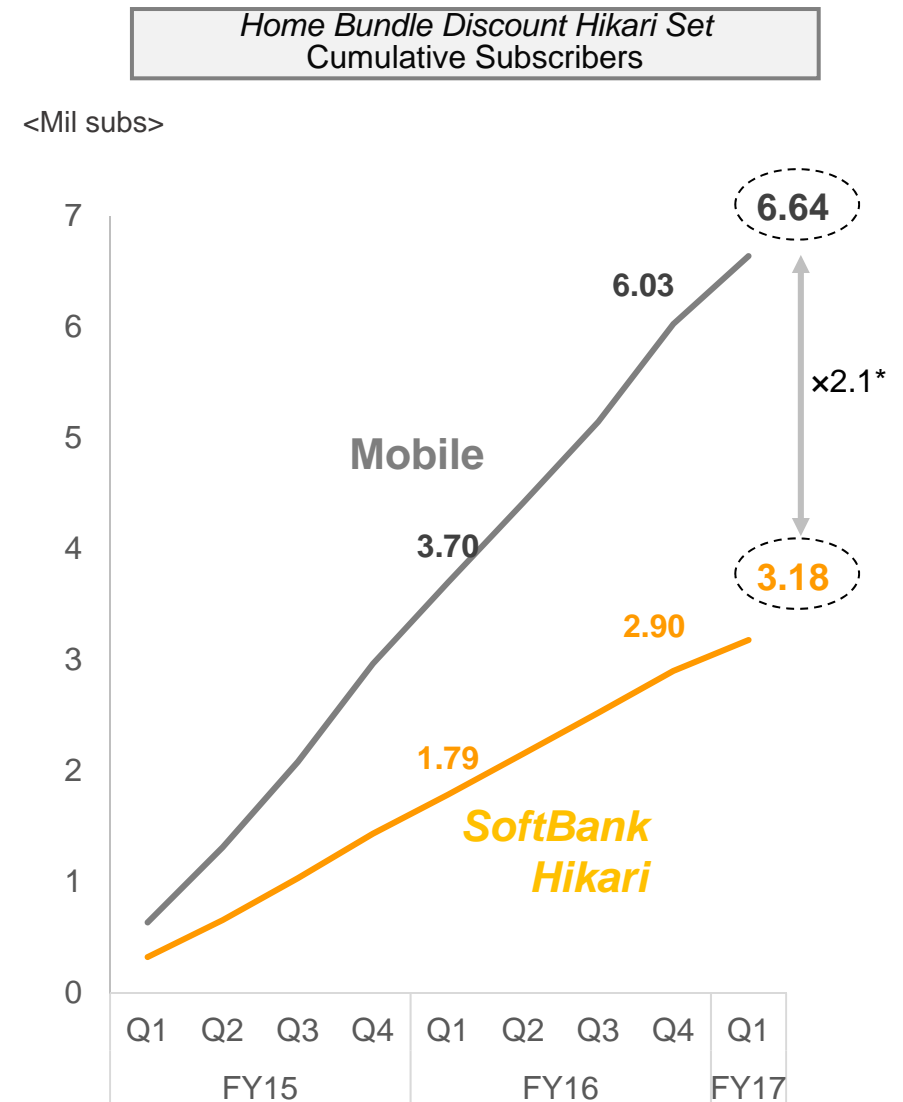
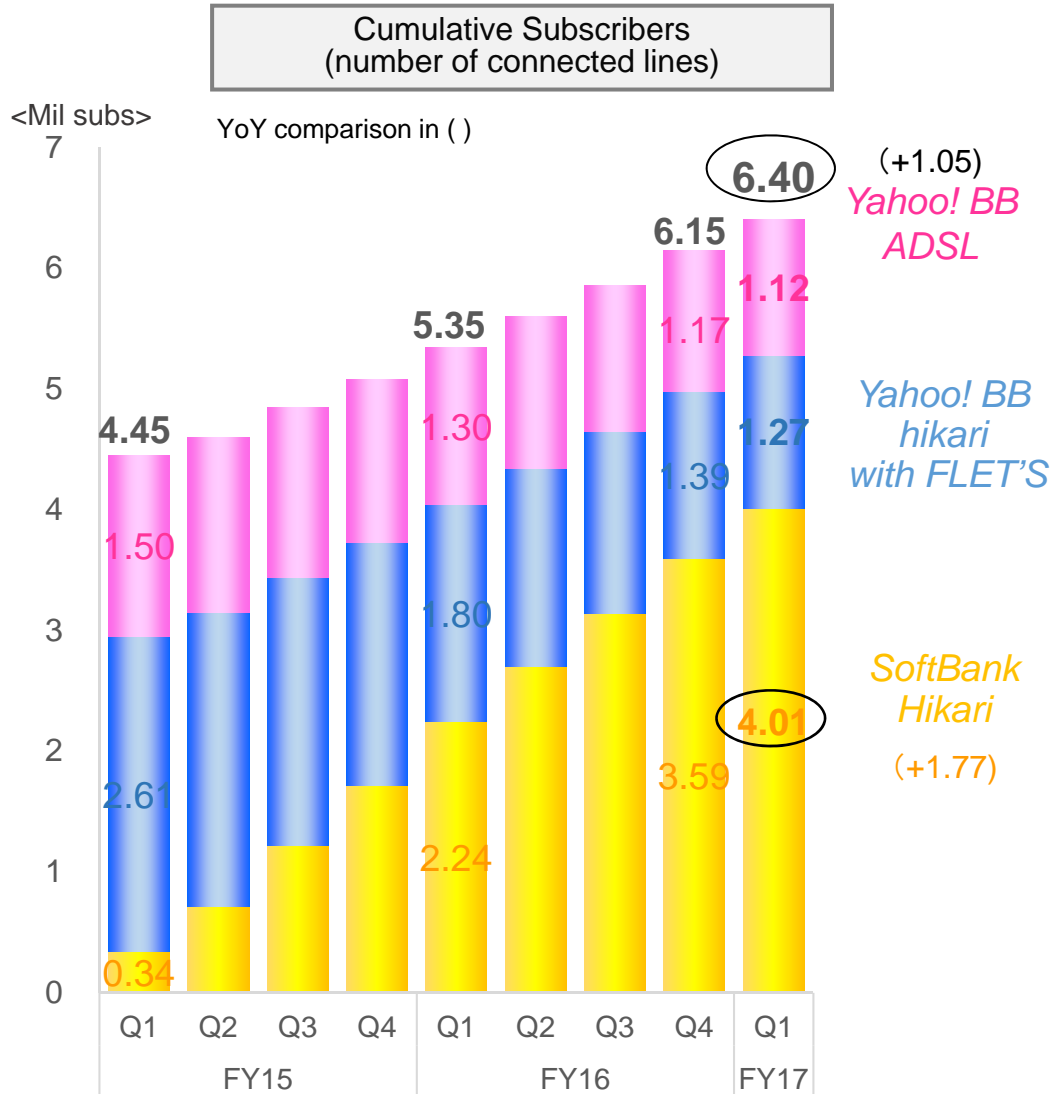
7. ARPU (main subscribers)

- FY17Q1 ARPU decreased by JPY 230 YoY, with monthly discount ARPU widening by JPY 120.
- Telecom ARPU decreased due to higher penetration of *Y!mobile* smartphones and expansion of *Home Bundle Discount Hikari Set*.



8. Broadband Service

- 4.01mil *SoftBank Hikari* at FY17Q1-end. Steady trend in customer acquisition.
- 6.64mil subscribers under *Home Bundle Discount Hikari Set*, doubling YoY.

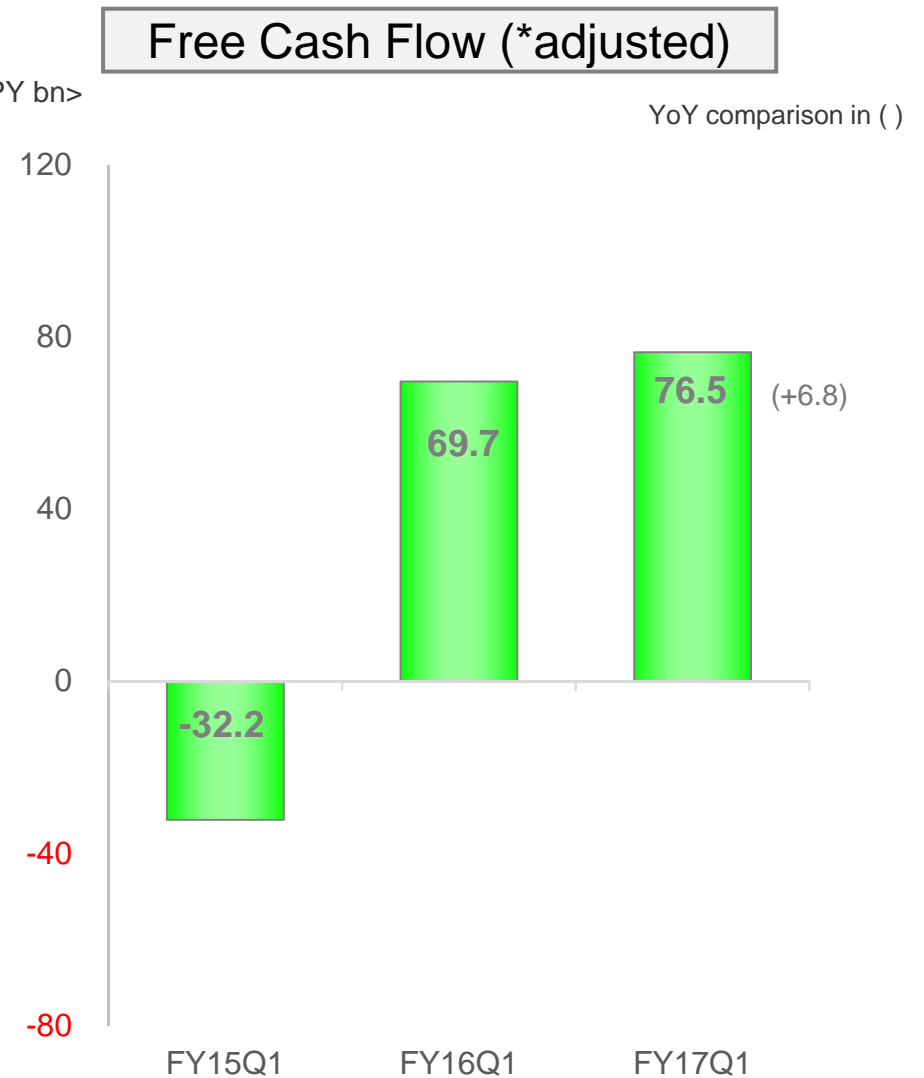
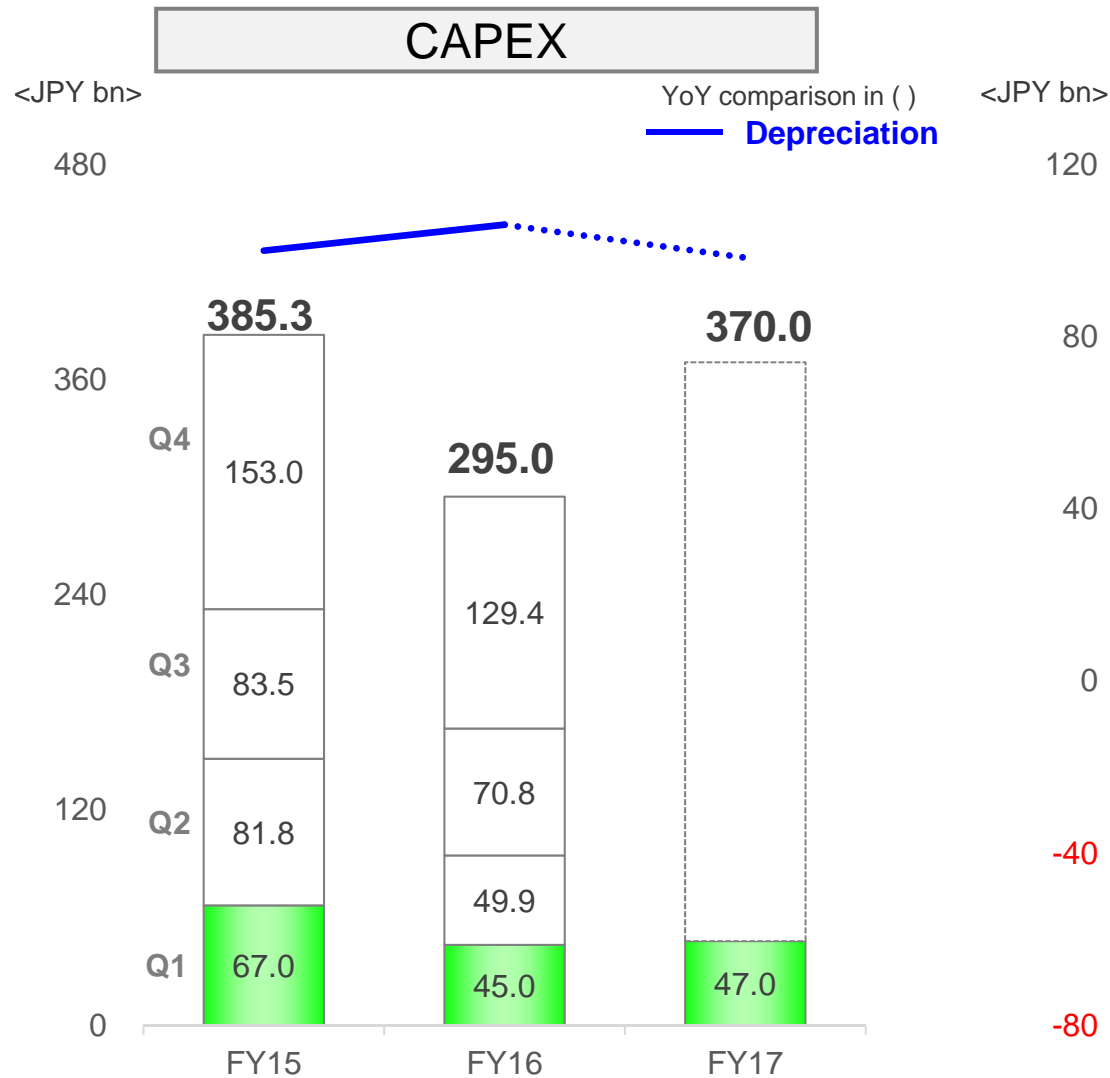


**SoftBank Hikari* includes *SoftBank Air*.

*Mobile lines per *SoftBank Hikari* contract

9. CAPEX / Free Cash Flow

- FY17Q1 CAPEX is JPY 47.0bn.
- FY17Q1 FCF is JPY 76.5bn, up JPY 6.8bn YoY.



*1 CAPEX: Acceptance basis. Excludes capex of rental handsets.

*2 Depreciation: Includes disposal. Excludes depreciation of rental handsets and amortization of customer relationships.

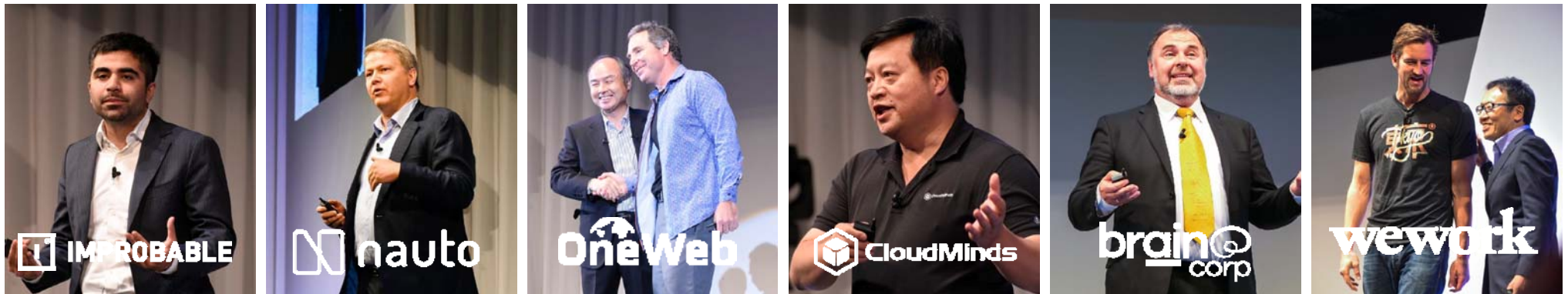
*Excludes intercompany transactions between SBG and SoftBank

10. Growth Strategy (New Areas) ~SBW

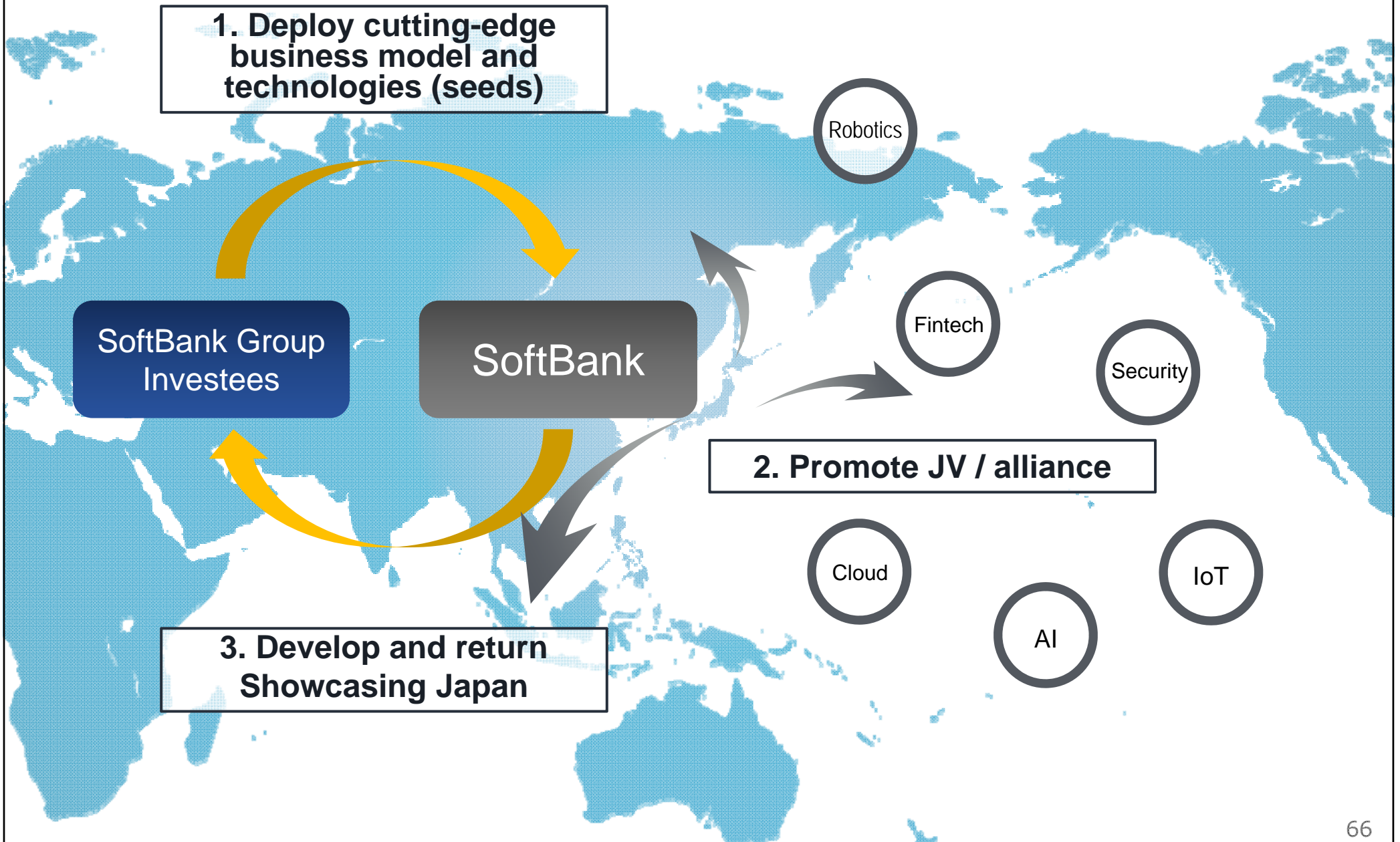


SoftBank World 2017

Generate synergies with investees

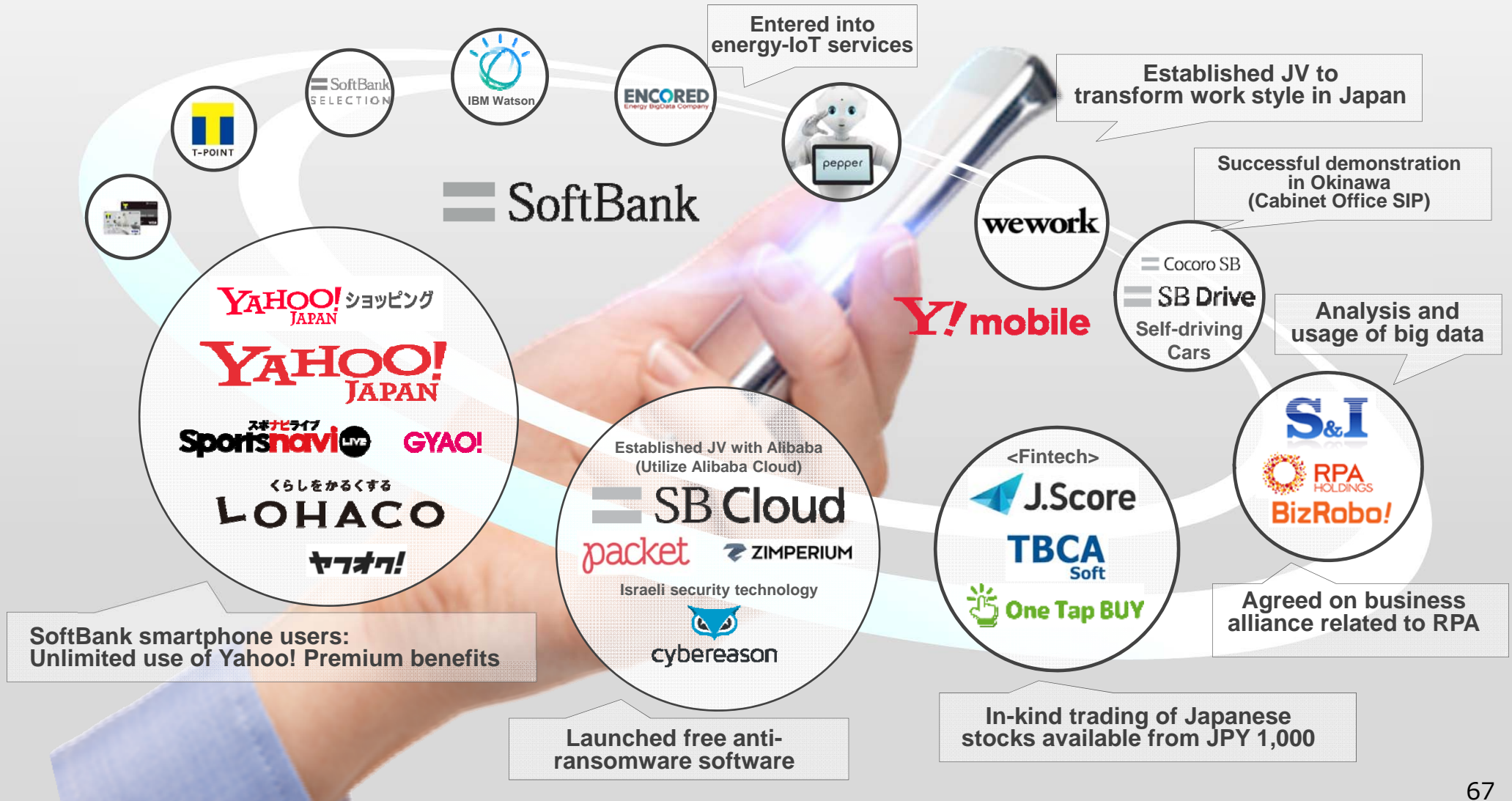


11. Growth Strategy (New Areas) ~Maximize Synergies



12. Growth Strategy (New Areas) ~Examples

Create growth opportunities through smartphones & FTTH



13. Summary of FY17

1

**Prioritize upfront investment
Drive growth strategy**

2

Maintain FCF over JPY 500bn

3

**Except Domestic Telco income to decline^{*} (up to -7% YoY)
Focus on future growth**

(Reference) Domestic Telecommunications Segment Breakdown of Net Sales

<JPY bn>

	FY2016					FY2017
	Q1	Q2	Q3	Q4	Full year	Q1
Total net sales	7,618	7,928	8,461	7,931	31,938	7,557
Telecom service revenue	6,058	6,095	6,135	5,943	24,231	6,024
Mobile communications	4,801	4,781	4,761	4,524	18,866	4,586
Telecom	4,220	4,201	4,193	3,962	16,576	4,029
Service	581	580	568	561	2,290	557
Broadband	592	646	709	742	2,690	776
Fixed-line telecommunications	664	668	665	677	2,675	662
Product and other sales	1,560	1,833	2,326	1,988	7,707	1,533

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



Q1
FY 2017

RESULTS

SoftBank Investor Briefing

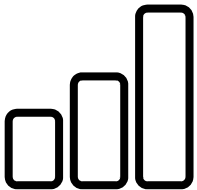
Cautionary Statement

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, events 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 technologies 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 statements, 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, 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 1Q 2017 Highlights

Net Income



FIRST
time in three years

Adjusted EBITDA*



HIGHEST
in nearly 10 years



GROWING
REVENUE

REDUCING
EXPENSES



Adjusted Free Cash Flow*



POSITIVE
in 6 of last 7 quarters

Net Additions
consecutive quarters of growth

Postpaid Phone



Prepaid



Investing in our

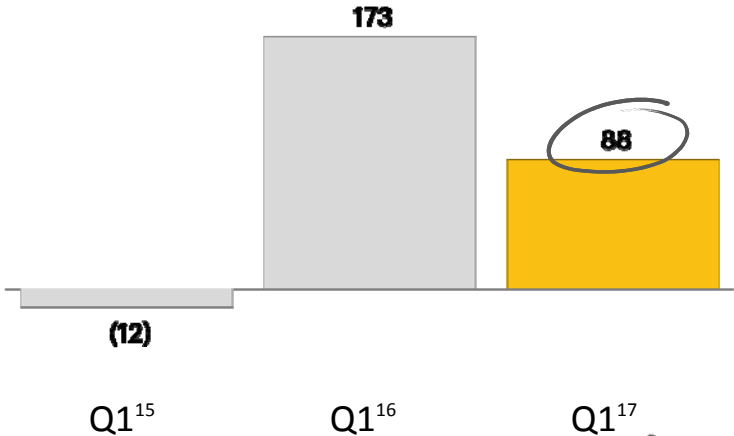
NETWORK

to improve the
user experience



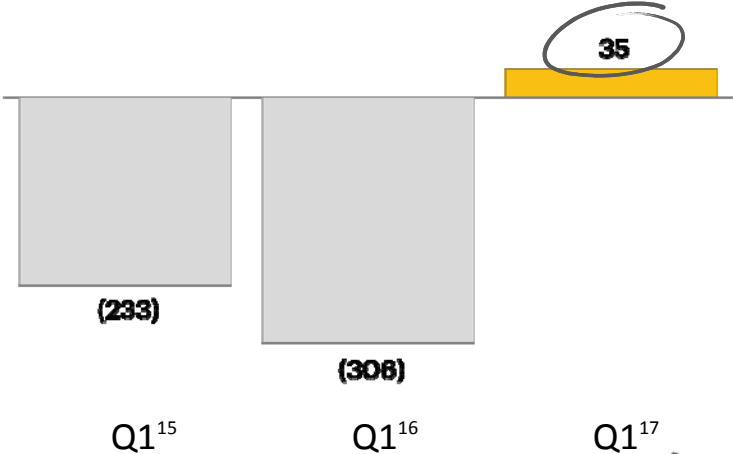
Growing Connections

Postpaid Phone Net Adds



8 consecutive quarters of **NET ADDITIONS**

Prepaid Net Adds[^]

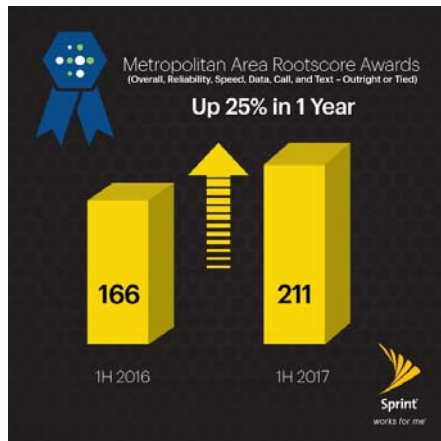


2 consecutive quarters of **NET ADDITIONS**

[^]excluding Lifeline

Network Getting Better Every Day

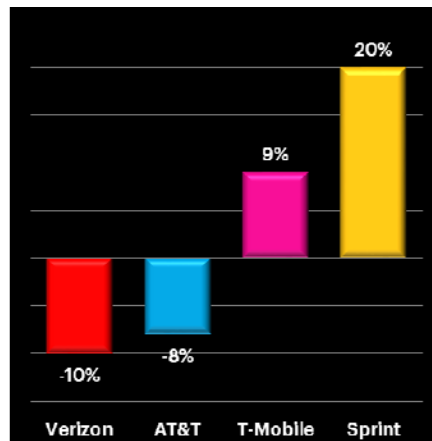
TODAY



Rankings based on RootMetrics Metro RootScore Reports from 1H 2016 and 1H 2017 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



National Average Download Speed Change

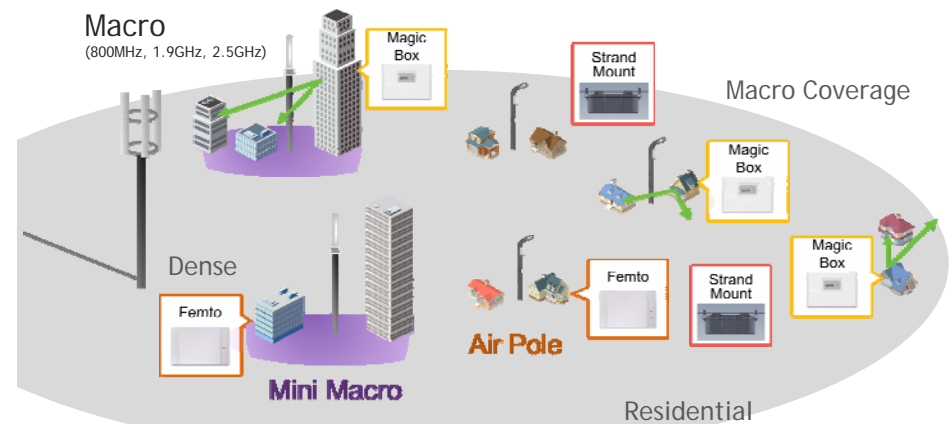


Network Built For **UNLIMITED**

Sprint's analysis of Ookla's Speedtest Intelligence data from January 2017 to June 2017 for All Mobile Results

TOMORROW

Innovative Deployment



Enhancing our Value Proposition



Simple &
Flexible Offers

Expanding
Distribution

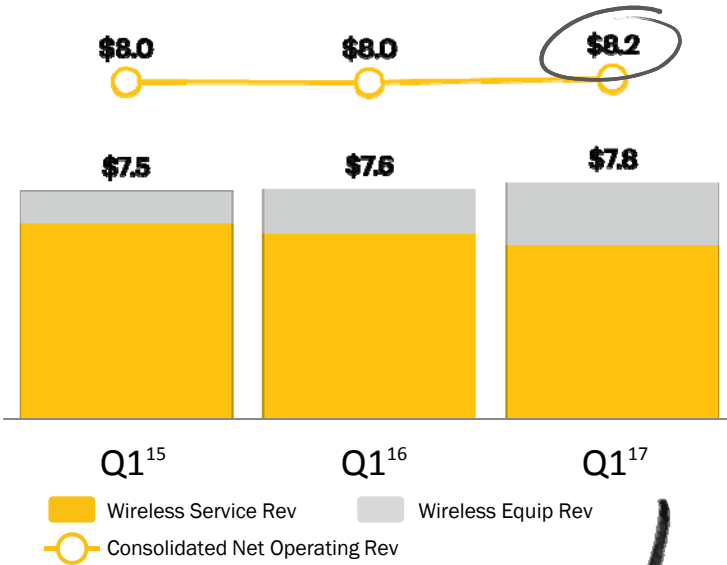
Ramping
Digital Sales

Prepaid
Momentum

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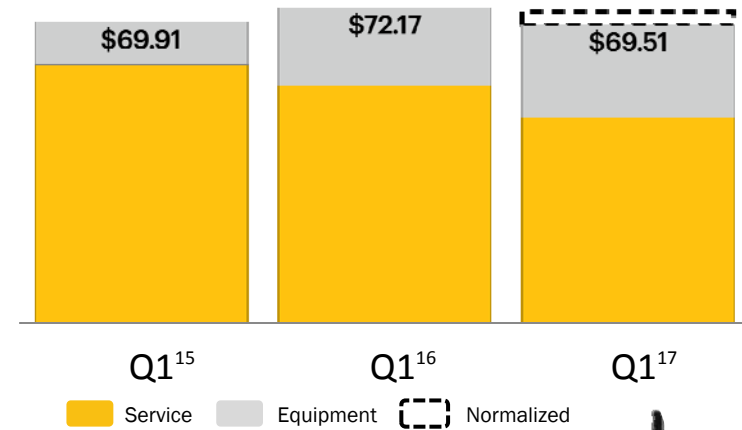
Growing Revenue

Net Operating Revenues
Dollars in Billions



4 consecutive quarters of
year-over-year
GROWTH

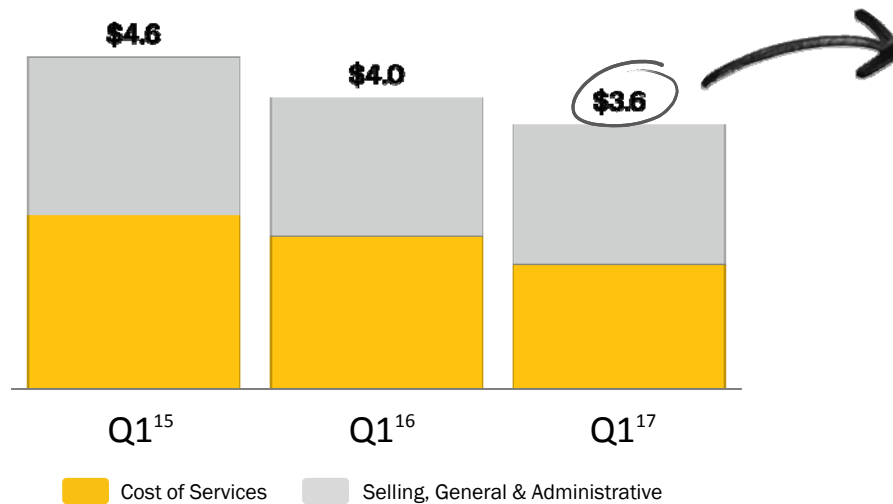
Postpaid Phone Average Billings per
User (ABPU)*



STABLE
Revenue per User
normalizing for change in device insurance

Reducing Operating Expenses

Cash Operating Expenses
Dollars in Billions

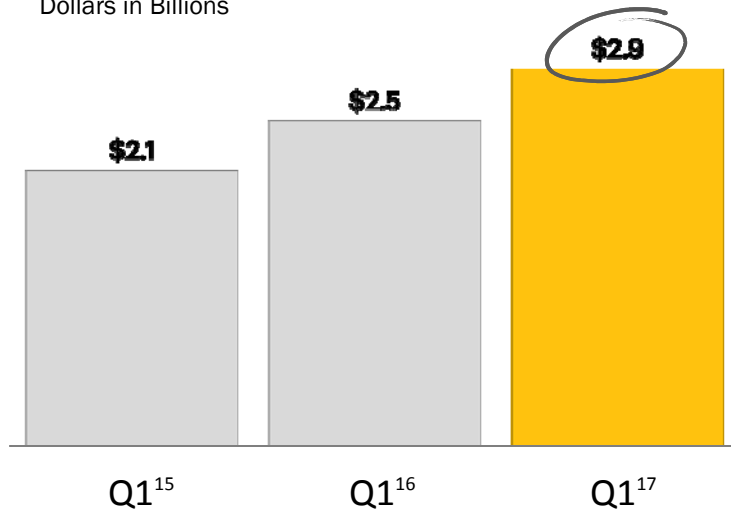


nearly
\$4B annualized
REDUCTIONS
over two years

nearly
\$370M
of combined year-over-year
REDUCTIONS
in CoS and SG&A in FY1Q17

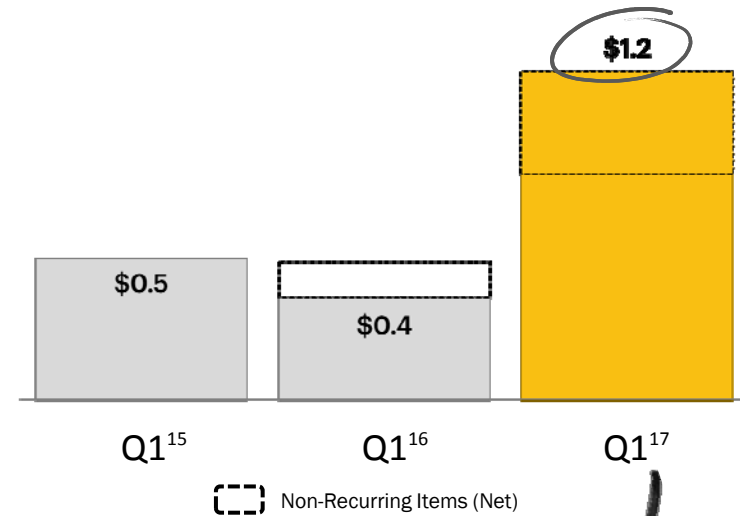
Improving Profitability

Adjusted EBITDA*
Dollars in Billions



HIGHEST
in nearly ten years

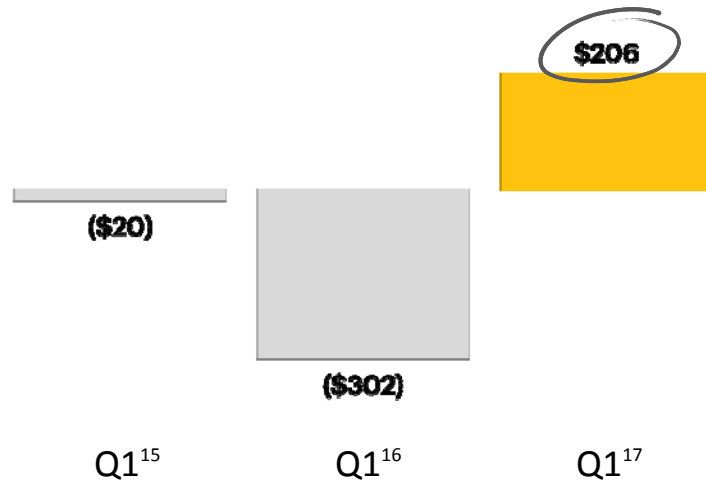
Operating Income
Dollars in Billions



3 x increase
year-over-year
as reported

Delivering Net Income

Net Income (Loss)
Dollars in Millions



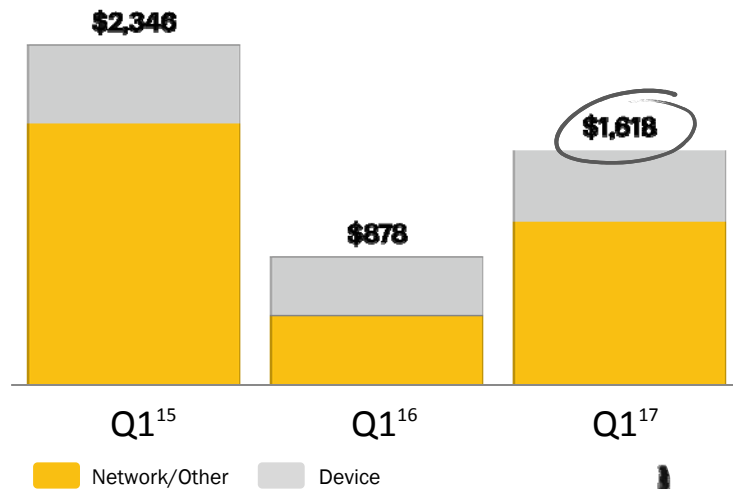
NET INCOME

first time in three years

(actual dollars)	1QFY17	1QFY16	Change
EPS	\$0.05	(\$0.08)	\$0.13
Spectrum license exchanges, after tax	\$0.07		\$0.07
Other expenses	(\$0.08)	(\$0.03)	(\$0.05)

Capex & Adjusted Free Cash Flow*

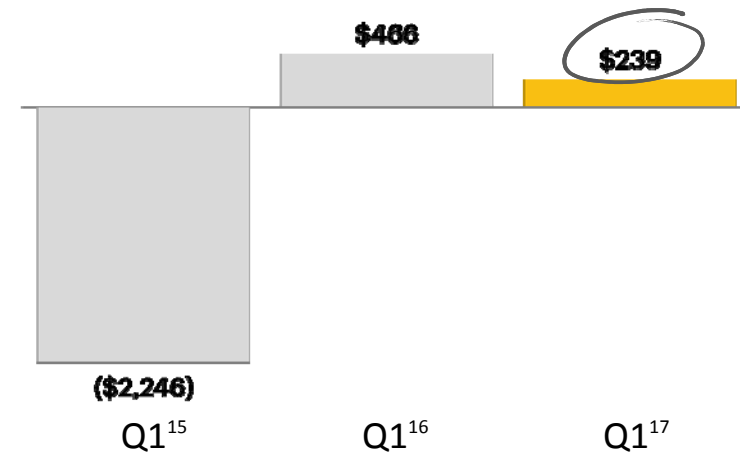
Cash Capex
Dollars in Millions



investing in our
NETWORK



Adjusted Free Cash Flow*
Dollars in Millions



POSITIVE
six of the last seven quarters

