

**Earnings Results for the Fiscal Year  
Ended March 31, 2018**

**Investor Briefing**

**May 11, 2018**

**SoftBank Group Corp.**



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SoftBank Group Corp. adopted the International Financial Reporting Standards (IFRSs) from fiscal 2013. Figures for fiscal 2012 have also been presented in accordance with IFRSs.

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## Exchange rates used for translation

Average during quarter	FY2016				FY2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	109.07	102.91	108.72	113.76	111.61	111.38	112.74	108.85
1 GBP*		135.46	135.56	141.33	142.92	146.20	150.77	151.01
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				112.19				106.24
1 GBP				140.08				148.84
1 EUR				119.79				130.52
1 CNY				16.29				16.92

\*Monthly average rate of September 2016 (1 GBP = JPY 132.95) is used for translation of Arm results in FY16Q2

# Accounting

# Segments and Core Companies

## FY16

Reportable segments	Core companies
<b>Domestic Telecommunications</b>	SoftBank Wireless City Planning
<b>Sprint</b>	Sprint
<b>Yahoo Japan</b>	Yahoo Japan ASKUL
<b>Distribution</b>	Brightstar SoftBank Commerce & Service
<b>Arm</b> (Newly established in FY16Q2)	Arm (Earnings reflected from Sep 6, 2016)
<b>Other</b>	Fukuoka SoftBank HAWKS

## FY17

Reportable segments	Core companies
<b>Domestic Telecommunications</b>	SoftBank Wireless City Planning
<b>Sprint</b>	Sprint
<b>Yahoo Japan</b>	Yahoo Japan ASKUL
<b>Distribution</b>	Brightstar SoftBank Commerce & Service
<b>Arm</b>	Arm
<b>SoftBank Vision Fund and Delta Fund</b> (Newly established in FY17Q1)	SoftBank Vision Fund L.P. SB Delta Fund (Jersey) L.P.
<b>Other</b>	Fortress (Consolidated from Dec 2017) Fukuoka SoftBank HAWKS

# Consolidated P/L Summary (IFRSs)

- ① Operating income: Boost by gain on valuation of shares of SoftBank Vision Fund (+JPY 346 bn)
  - ② Non-operating income/loss: (i) income on equity method investments related to Alibaba (+JPY 424.8 bn); (ii) derivative loss related to a forward contract on Alibaba shares (-JPY 604.2 bn); profits will be recorded in June 2019, upon the contract settlement
  - ③ Net income attributable to owners of the parent: Boost by JPY 685.0 bn due to reversal of deferred tax liabilities at Sprint arising from the US tax reform
- (JPY bn)

P/L item	FY16	FY17	Change	Primary changes
<b>Continuing operations</b>				
<b>Net sales</b>	<b>8,901.0</b>	<b>9,158.8</b>	<b>+257.8</b>	
Operating income (excluding operating income from SoftBank Vision Fund and Delta Fund)	1,026.0	1,000.8	-25.2	
Operating income from SoftBank Vision Fund and Delta Fund	-	303.0	+303.0	① Unrealized gain on valuation of investments of 346.0 (see page 15).
<b>Operating income</b>	<b>1,026.0</b>	<b>1,303.8</b>	<b>+277.8</b>	
Finance cost	-467.3	-516.1	-48.8	
Income on equity method investments	321.6	404.6	+83.0	② +94.6 Increase in income on equity method investments related to Alibaba (see page 19).
Gain on sales of shares of associates	238.1	1.8	-236.3	
Foreign exchange gain (loss)	53.3	-34.5	-87.8	
Derivative gain (loss)	-252.8	-630.2	-377.4	② -371.4 Derivative loss on the collar transaction for the monetization of Alibaba shares (see pages 20, 24-33).
Gain (loss) from Financial Instruments at FVTPL	-160.4	-0.1	+160.3	
Changes in third-party interests in SoftBank Vision Fund and Delta Fund	-	-160.4	-160.4	Amount of fluctuations arising from SoftBank Vision Fund and Delta Fund's results, out of the third-party interests in SoftBank Vision Fund and Delta Fund on B/S
Other non-operating income (loss)	-45.9	15.7	+61.6	-19.8 Loss on exchange of corporate bonds (FY16: none); recognition of loss on exchange of foreign currency-denominated senior notes issued in 2015 for newly issued notes.
<b>Income before income tax</b>	<b>712.5</b>	<b>384.6</b>	<b>-327.9</b>	
Income taxes	207.1	853.2	+646.1	Partial reversal of deferred tax liabilities at Sprint arising from the US tax reform (decline in income tax of 815.1) (see page 22).
<b>Net income from continuing operations</b>	<b>919.6</b>	<b>1,237.8</b>	<b>+318.2</b>	
<b>Discontinued operations</b>				
<b>Net income from discontinued operations</b>	<b>554.8</b>	<b>-</b>	<b>-554.8</b>	
<b>Net Income</b>	<b>1,474.4</b>	<b>1,237.8</b>	<b>-236.6</b>	
Net income attributable to non-controlling interests	48.1	198.8	+150.7	
<b>Net income attributable to owners of the parent</b>	<b>1,426.3</b>	<b>1,039.0</b>	<b>-387.3</b>	③ Impact on net income: 685.0 (corresponding to SBG's ownership stake)

# Consolidated B/S Summary (IFRSs) - 1

- ① Total fair value of investments of SoftBank Vision Fund and Delta Fund: USD 26.7 bn (excl Arm shares of USD 6.4 bn)
- ② Investments by the Company to Uber and DiDi: Total JPY 1,378.8 bn (USD 12.9 bn)
- ③ Assets increase due to consolidation of The Japan Net Bank: JPY 829.5 bn

(JPY bn)

B/S item	Main items	As of Mar 2017	As of Mar 2018	Change	Main primary changes
Current assets		<b>5,724.0</b>	<b>6,874.9</b>	<b>+1,150.9</b>	
	Cash and cash equivalents	2,183.1	3,334.7	+1,151.6	③ The Japan Net Bank (+298.7). See Cash Flow on page 10 for details.
	Other financial assets	794.7	519.4	-275.3	
Non-current assets		<b>18,910.2</b>	<b>24,305.6</b>	<b>+5,395.4</b>	
	Property, plant and equipment	3,977.3	3,856.8	-120.5	Decrease due to depreciation of telecommunications network equipment.
	Sprint	1,926.1	1,899.7	-26.4	Decrease due to depreciation of telecommunications network equipment, outweighing an income due to acquisition rental devices.
	Goodwill	4,175.5	4,302.6	+127.1	See page 34.
	Intangible assets	6,946.6	6,784.6	-162.0	See page 35.
	Investments accounted for using the equity method	1,670.8	2,328.6	+657.8	
	Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	-	2,827.8	+2,827.8	① See page 14 for details.
	Investment securities	1,106.4	2,660.1	+1,553.7	② Investments in Uber and DiDi totaled 1,378.8, which may be offered to SoftBank Vision Fund. NVIDIA shares transferred to SoftBank Vision Fund.
Deferred tax assets	405.0	647.5	+242.5		
<b>Total assets</b>		<b>24,634.2</b>	<b>31,180.5</b>	<b>+6,546.3</b>	③

# Consolidated B/S Summary (IFRSs) - 2

- ① Borrowing of USD 8.0 bn using Alibaba shares, and issuance of foreign currency-denominated bonds of USD 3.35 bn and EUR 2.25 bn.
- ② Increase in third-party interests in SoftBank Vision Fund and Delta Fund: JPY 1,804.0 bn  
(Mainly due to contributions from third-party investors based on capital calls: USD 16.2 bn)
- ③ Liabilities increase due to consolidation of The Japan Net Bank: JPY 728.7 bn

(JPY bn)

B/S item	Main items	As of Mar 2017	As of Mar 2018	Change	Primary changes
Current liabilities		<b>5,226.9</b>	<b>6,728.8</b>	<b>+1,501.9</b>	
	Short-term borrowings	667.7	957.6	+289.9	
	SBG	505.8	771.3	+265.5	
	SoftBank Vision Fund and Delta Fund	-	84.0	+84.0	Borrowings mainly to increase capital efficiency of investments.
	Current portion of long-term borrowings	1,128.5	1,093.7	-34.8	
	SBG	434.0	214.7	-219.3	
	Sprint	307.2	164.5	-142.7	
	SoftBank Vision Fund and Delta Fund	-	313.1	+313.1	(Same as short-term borrowings)
	Current portion of corporate bonds	339.5	590.3	+250.8	
	SBG	119.9	399.8	+279.9	
Sprint	219.4	190.4	-29.0		
Deposits for banking business	-	684.1	+684.1	③ Recorded along with consolidation of The Japan Net Bank.	
		<b>14,937.6</b>	<b>18,178.6</b>	<b>+3,241.0</b>	
Non-current liabilities	Long-term borrowings	3,377.6	5,121.6	+1,744.0	
	SBG	2,133.7	3,215.5	+1,081.8	① Borrowings of a wholly-owned subsidiary of the Company of USD 8.0 bn using Alibaba shares : 842.3.
	Sprint	1,044.1	1,346.6	+302.5	Increase due to spectrum financing.
	SoftBank Vision Fund and Delta Fund	-	101.3	+101.3	(Same as short-term borrowings)
	Corporate bonds	7,233.8	7,234.0	+0.2	
	SBG	4,244.5	4,516.9	+272.4	① Issuance of foreign currency-denominated straight corporate bonds of 641.6.
	Sprint	2,954.3	2,612.2	-342.1	
	Third-party interests in SoftBank Vision Fund and Delta Fund	-	1,804.0	+1,804.0	② Progress in capital call (USD 16.2 bn) and fluctuations arising from SoftBank Vision Fund and Delta Fund's results.
	Derivative financial liabilities	254.1	865.4	+611.3	Increase in derivative liabilities in relation to a collar transaction included in a variable prepaid forward contract for sale of Alibaba shares (+570.2) (see pages 20, 24-33).
	Deferred tax liabilities	1,941.4	1,085.6	-855.8	Partial reversal of deferred tax liabilities at Sprint arising from the US tax reform (-776.9) (see page 22).
		<b>20,164.5</b>	<b>24,907.4</b>	<b>+4,742.9</b>	③
<b>Total liabilities</b>		<b>20,164.5</b>	<b>24,907.4</b>	<b>+4,742.9</b>	③



# Consolidated B/S Summary (IFRSs) - 3

① Other equity instruments was recorded for USD-denominated Undated Subordinated Notes issued in July 2017

(JPY bn)

B/S item	Items	As of Mar 2017	As of Mar 2018	Change	Primary changes
Equity		4,469.7	6,273.0	+1,803.3	
	Common stock	238.8	238.8	-	
	Capital surplus	245.7	256.8	+11.1	
	Other equity instruments	-	496.9	+496.9	① USD-denominated Undated Subordinated Notes issued in Jul 2017 by SBG.*
	Retained earnings	2,958.4	3,940.3	+981.9	
	Treasury stock	-67.7	-66.5	+1.2	
	Accumulated other comprehensive income	211.2	318.0	+106.8	
	Non-controlling interests	883.4	1,088.8	+205.4	
	<b>Equity attributable to owners of the parent ratio (equity ratio)</b>	<b>14.6%</b>	<b>16.6%</b>	<b>+2.0pp</b>	

\* Classified as equity instruments in accordance with IFRSs.

# Consolidated C/F Summary (IFRSs)

- ① Acquisition of investments by SoftBank Vision Fund and Delta Fund: JPY 2,263.3 bn  
Investment by the Company in Uber and DiDi: total JPY 1,378.8 bn (USD 12.9 bn)
- ② Cash increased due to refinancing, borrowings by using Alibaba shares, and issuance of corporate bonds by SBG
- ③ Contributions into SoftBank Vision Fund and Delta Fund from third-party investors

(JPY bn)

C/F item	FY17	Main breakdown	
<b>Cash flows from operating activities</b>	1,088.6	1,989.2	Subtotal of cash flows from operating activities.
		-541.0	Interest paid (SBG: -212.2, Sprint: -280.5).
		-487.4	Income taxes paid: mainly due to the payment of income taxes for the sale of Supercell Oy shares in FY16.
		95.9	Income taxes refunded: refund withholding income tax related to inter-company dividends.
<b>Cash flows from investing activities</b>	-4,484.8	-1,064.8	Purchase of property, plant and equipment, and intangible assets.
		-1,735.7	① Payments for acquisition of investments. Investments in Uber and DiDi total of 1,378.8, which may be offered to SoftBank Vision Fund.
		-2,263.3	① Payments for acquisition of investments by SoftBank Vision Fund and Delta Fund. Payments for investments SoftBank Vision Fund and Delta Fund or investments agreed to be transferred from the Company.
		62.0	Increase from acquisition of control over subsidiaries. Increase in cash/cash equivalent due to consolidation of Japan Net Bank (337.2), offsets by payments of acquisition of Fortress (-250.3).
		-40.8	Decrease in short-term interest-bearing debt, net.
<b>Cash flows from financing activities</b>	4,626.4	8,547.3	② Proceeds from interest-bearing debt SBG: borrowings mainly for refinancing of the acquisition funds for Sprint and Arm (2,734.0); borrowings by using Alibaba shares (853.6), issuance of foreign currency-denominated straight corporate bonds (665.8) . Sprint: borrowings through spectrum financing (428.6), borrowings through securitization of receivables etc.(346.1), issuance of corporate bonds (163.3). SB: borrowings through securitization of receivables (524.3).
		-6,003.2	Repayment of interest-bearing debt SBG: repayment of existing borrowings mainly for refinancing the acquisition funds for Sprint and Arm (-2,691.3); redemption of corporate bonds (-120.0). Sprint: repayment of borrowings (-560.0), redemption of corporate bonds (including early redemptions) (-354.8). SB: repayment of borrowings through securitization of receivables (-463.0).
		1,967.2	③ Cash contributions into SoftBank Vision Fund and Delta Fund from third-party investors based on capital calls.
		-187.1	Distribution/repayment from Softbank Vision Fund and Delta Fund to third-party investors. Fixed distributions (-20.9), partial repayment of capital called to third-party investors (-166.1) .
		496.9	Proceeds from the issuance of other equity instruments.
		<b>Cash and cash equivalents; opening balance</b>	<b>2,183.1</b>
<b>Cash and cash equivalents; closing balance</b>	<b>3,334.7</b>		

# Outline of Funds in SoftBank Vision Fund and Delta Fund

As of March 31, 2018	SoftBank Vision Fund	Delta Fund
<b>Major limited partnership</b>	SoftBank Vision Fund L. P.	SB Delta Fund (Jersey) L. P.
<b>Total committed capital</b>	USD 91.7 bn <sup>*1</sup>	USD 6.0 bn <sup>*1</sup>
	SBG: USD 28.1 bn <sup>*2</sup> Third-party investors: USD 63.6 bn <sup>*1</sup>	SBG: USD 4.4 bn Third-party investors: USD 1.6 bn <sup>*1</sup>
<b>Limited partners</b>	SBG Public Investment Fund Mubadala Investment Company Apple Foxconn Technology Group Qualcomm Sharp	SBG Mubadala Investment Company
<b>General partners</b>	SVF GP (Jersey) Limited (The Company's wholly-owned overseas subsidiary)	SB Delta Fund GP (Jersey) Limited (The Company's wholly-owned overseas subsidiary)
<b>Advisory company</b>	The Company's wholly-owned subsidiaries (in Japan and the US)	
<b>Management company</b>	The Company's wholly-owned subsidiary (in the U.K.)	
<b>Investment period</b>	Five years from the final closing <sup>*3</sup> of SoftBank Vision Fund (in principle)	
<b>Minimum fund life</b>	12 years from the final closing <sup>*3</sup> of SoftBank Vision Fund (in principle)	

\*1. A portion of the capital committed by Mubadala Investment Company in both SoftBank Vision Fund and Delta Fund has been committed in consideration of the total capital committed for both separate funds; hence, the total committed capital and remaining committed capital for each separate fund will change according to the status of contribution by Mubadala Investment Company in each fund.

\*2. The amount includes approximately USD 8.2 bn of an obligation to be satisfied by using Arm Limited shares.

\*3. The Company expects the final closing of SoftBank Vision Fund to complete in the three-month period ending June 30, 2018. The first and final closing of Delta Fund completed on September 27, 2017.

# Capital Deployment of SoftBank Vision Fund and Delta Fund

(USD bn)

As of Mar 31, 2018	Total	The Company	Third-party investors
<b>Committed capital</b>			
SoftBank Vision Fund	91.7 <sup>*1</sup>	28.1 <sup>*2</sup>	63.6 <sup>*1</sup>
Delta Fund	6.0 <sup>*1</sup>	4.4	1.6 <sup>*1</sup>
<b>Contribution from limited partners<sup>*3</sup></b>			
SoftBank Vision Fund	21.2	6.4	14.8
Delta Fund	5.1	3.7 <sup>*4</sup>	1.4
<b>Remaining committed capital</b>			
SoftBank Vision Fund	70.5	21.7	48.8
Delta Fund	0.9 <sup>*5</sup>	0.7	0.2 <sup>*5</sup>

\*1. A portion of the capital committed by Mubadala Investment Company in both SoftBank Vision Fund and Delta Fund has been committed in consideration of the total capital committed for both separate funds; hence, the total committed capital and remaining committed capital for each separate fund will change according to the status of contribution by Mubadala Investment Company in each fund.

\*2. The amount includes approximately USD 8.2 bn of an obligation to be satisfied by using Arm Limited shares.

\*3. The amount excludes the amount that was repaid to limited partners due to investment plan changes and other reasons after the contribution has been made.

\*4. The amount includes the value of the investment securities in Xiaoju Kuaizhi Inc. (DiDi) acquired by the Company and then transferred to Delta Fund. The value of this transfer was offset against the amount of the Company's capital obligation to Delta Fund.

\*5. The remaining committed capital of third-party investors at Delta Fund may be used for SoftBank Vision Fund.

# Investments of SoftBank Vision Fund and Delta Fund -1

As of Mar 31, 2018	Investment portfolio	
	Company names (in alphabetical order)	Businesses
<b>SoftBank Vision Fund</b>	Arm Limited	Semiconductor technology designer
	Auto1 Group GmbH	Used car wholesaler in Europe
	Brain Corporation	AI-based autonomous driving system developer
	Fanatics Holdings, Inc.	Online retailer of licensed sports merchandise
	Flipkart Limited (Flipkart)	e-commerce
	Guardant Health, Inc.	Cancer diagnosis through genomic analysis
	HealthKonnct Medical and Health Technology Management Company Limited (Ping An Medical and Healthcare)	Managed care platform
	Improbable Worlds Limited	VR/AR development tools
	Katerra Inc.	End-to-end design & architecture technology platform
	MapBox Inc.	Geographical information platform
	Nauto, Inc.	AI-based safe-driving support services
	NVIDIA Corporation	GPU developer
	One97 Communications Limited (PayTM)	Online payment services
	Oravel Stays Private Limited (OYO Rooms)	Hotel booking site
	OSIsoft LLC	Industrial IoT solutions
	Ping An Healthcare and Technology Company Limited	Online healthcare portal
	Plenty United Inc.	Indoor farm plant
	Roivant Sciences Ltd.	Biopharmaceutical drug developer
	Slack Technologies, Inc.	Business chat tool
	Urban Compass, Inc. (Compass)	Real estate big data platform
Vir Biotechnology, Inc.	Pharmaceutical drug development for infectious diseases using AI	
Wag Labs, Inc	On-demand dog walking & dog care app	
WeWork Companies Inc. (and its 3 affiliates)	Co-working space services	
Zhongan Online P&C Insurance Co., Ltd	Online insurance	
<b>Delta Fund</b>	Xiaoju Kuaizhi (DiDi)	Ridesharing services

(As of Mar 31, 2018)

**Total acquisition cost  
USD 29.7 bn**

**Total fair value  
USD 33.0 bn<sup>\*1</sup>**

**\*Including the Bridge  
Investments<sup>\*2</sup> agreed  
to be transferred from  
the Company to  
SoftBank Vision Fund  
or Delta Fund**

**Total acquisition cost  
USD 29.8 bn**

**Total fair value  
USD 33.1 bn<sup>\*1</sup>**

\*1. SoftBank Vision Fund made some investments through investment holding entities that are subsidiaries, but not wholly-owned subsidiaries, of SoftBank Vision Fund. Regardless of the ownership percentage of SoftBank Vision Fund, all investments made through the investment holding entities are calculated as investments made by SoftBank Vision Fund. Of the fair values of investments by SoftBank Vision Fund and Delta Fund at the fiscal year-end, the values attributable to shareholders other than SoftBank Vision Fund was USD 1.2 bn.

\*2. The price of the Bridge Investments used for the transfer from the Company to SoftBank Vision Fund or Delta Fund are based on fair values at the time the Company and respective funds agreed on the transfer.

# Investments of SoftBank Vision Fund and Delta Fund -2

As of Mar 31, 2018	Acquisition cost	Fair value
Investments acquired	29.7	33.0
Investments agreed to be transferred from the Company	0.1	0.1
<b>Total (USD bn)</b>	<b>29.8</b>	<b>33.1</b>
Excl. consolidated subsidiaries	-6.4	-6.4
<b>Total (USD bn)</b>	<b>23.4</b>	<b>26.7</b>
Exchange rate (USD/JPY)	-	JPY 106.24
<b>Amount recorded on B/S (JPY bn)</b>	-	<b>2,827.8</b>

\*Arm

**Recorded as  
“Investments from  
SoftBank Vision Fund and  
Delta Fund accounted for  
using FVTPL” on B/S**

\* The above table present investments acquired by SoftBank Vision Fund and Delta Fund and investments agreed to be transferred to SoftBank Vision Fund from the Company.

\* SoftBank Vision Fund made some investments through investment holding entities that are subsidiaries, but not wholly-owned subsidiaries, of SoftBank Vision Fund. Regardless of the ownership percentage of SoftBank Vision Fund, all investments made through the investment holding entities are calculated as investments made by SoftBank Vision Fund. Of the fair values of investments by SoftBank Vision Fund and Delta Fund at the fiscal year-end, the values attributable to shareholders other than SoftBank Vision Fund was USD 1.2 bn.

# Income and loss arising from the SoftBank Vision Fund and Delta Fund business included in P/L



Income and loss arising from the SoftBank Vision Fund and Delta Fund business included above the income before income tax line in the consolidated statement of income are calculated by aggregating income and loss arising from SoftBank Vision Fund and Delta Fund, income and loss arising from each general partner, income and loss arising from SBIA and two advisory companies which support SBIA in the US and Japan, and income and loss such as an expense related to fund establishment arising from the Company. All inter-company transactions have also been eliminated.

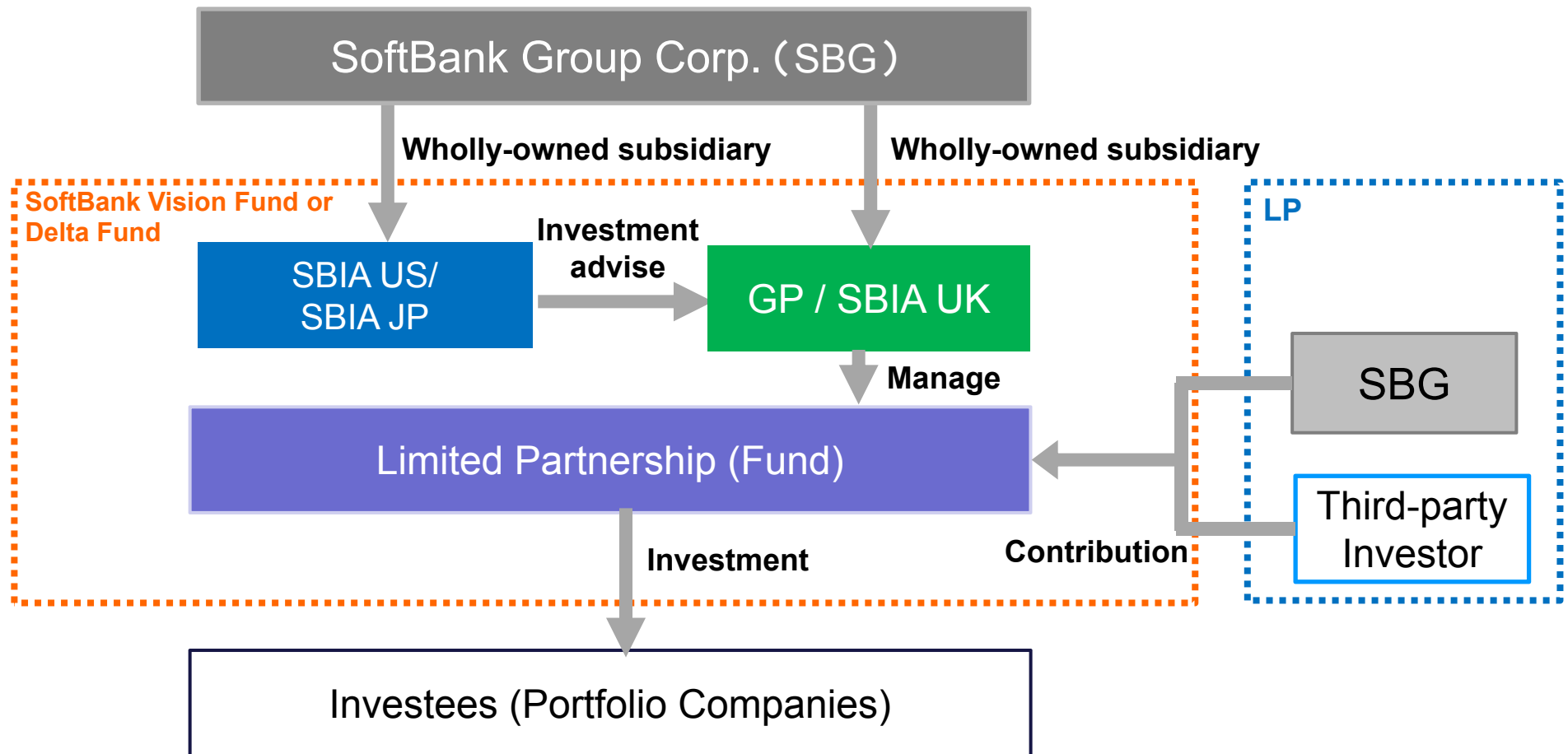
(JPY bn)

P/L	FY17	Items
<b>Gain and loss on investments at SoftBank Vision Fund and Delta Fund</b>	<b>352.1</b>	
Unrealized gain and loss on valuation of investments	346.0	Mainly due to increase in the fair value of NVIDIA shares
Interest and dividend income from investments	6.1	
Operating expenses (including expenses not attributable to SoftBank Vision Fund and Delta Fund)	-49.1	<ul style="list-style-type: none"> <li>• Investment research expenses arising from SBIA and other advisory companies</li> <li>• Incorporation expenses of entities that comprise SoftBank Vision Fund and Delta Fund</li> </ul>
<b>Operating income from SoftBank Vision Fund and Delta Fund</b>	<b>303.0</b>	
Finance cost	-7.8	Interest expense on borrowings
Other finance cost and non-operating cost	-9.2	
Change in third-party interests in SoftBank Vision Fund and Delta Fund	-160.4	Of third-party interests in SoftBank Vision Fund and Delta Fund, fluctuations due to the results of SoftBank Vision Fund and Delta Fund (change in performance-based distribution and fixed distribution)
<b>Income before income tax</b>	<b>125.6</b>	

\*"Realized gain and loss on sales of investments" is not recognized for the fiscal year ended March 31, 2018.

# Entities that compose SoftBank Vision Fund and Delta Fund

SoftBank Vision Fund and Delta Fund consist of GP/SBIA UK, SBIA US/SBIA JP, and Limited Partnership (Fund).

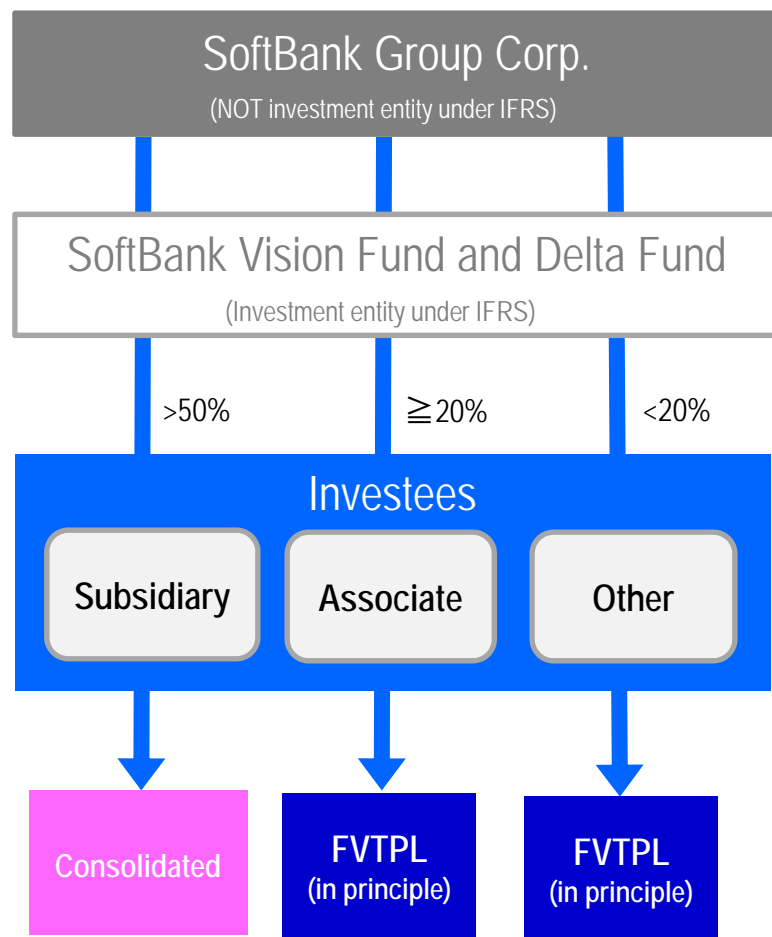




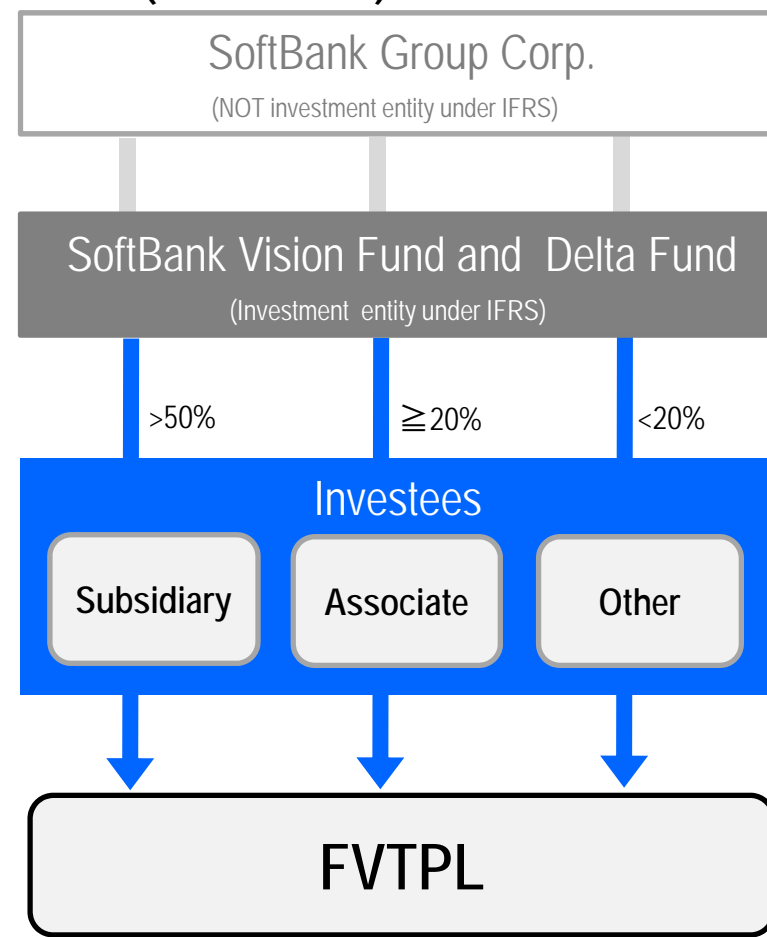
# Accounting Treatment for Investment Portfolio (investees)

SBG consolidated financial statements treat subsidiaries as consolidated and the others as financial instruments at FVTPL in principle.

## SBG consolidation:



## Fund (stand-alone):



<Control>

Investees

Accounting treatment

\*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 P/L.

Third-party interests are classified as liabilities

**Fund life is finite;  
Obligated to distribute  
to investors**

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

**Types of contribution to SVF;**  
- Equity (Performance-based)  
- Preferred Equity (Fixed)

# 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 on equity method investments	Exchange rate	Income on equity method investments
<b>FY16Q1</b>	5,365 (Jan - Mar)	1,434	6,799	Approx. 33%	2,216	JPY 16.64 / CNY	36.9
<b>FY16Q2</b>	7,550 (Apr - Jun)	6,748 <sup>*1</sup>	14,298	Approx. 33% (30.70% as of June 30, 2016)	4,663	JPY 15.40 / CNY	71.8
<b>FY16Q3</b>	7,623 (Jul - Sep)	13,193 <sup>*2</sup>	20,816	Approx. 30%	6,345	JPY 15.91 / CNY	100.9
<b>FY16Q4</b>	17,855 (Oct - Dec)	6,277	24,121	Approx. 30%	7,302	JPY 16.51 / CNY	120.6
<b>Total</b>	38,393	27,652	66,045	-	20,525	-	330.2
<b>FY17Q1</b>	10,647 (Jan - Mar)	-8,568 <sup>*3</sup>	2,079	Approx. 30%	618	JPY 15.99 / CNY	9.9
<b>FY17Q2</b>	14,683 (Apr - Jun)	7,407 <sup>*4</sup>	22,090	Approx. 30%	6,597	JPY 16.64 / CNY	109.7
<b>FY17Q3</b>	17,668 (Jul - Sep)	24,859 <sup>*5</sup>	42,527	Approx. 30%	12,521	JPY 17.06 / CNY	213.7
<b>FY17Q4</b>	24,073 (Oct - Dec)	- 5,876 <sup>*6</sup>	18,197	Approx. 30%	5,352	JPY 17.10 / CNY	91.5
<b>Total</b>	67,071	17,822	84,893	-	25,088	-	424.8

\*1 The changes in fair value of financial assets at FVTPL (CNY +4,308 mil).

\*2 The changes in fair value of financial assets at FVTPL (CNY +12,174 mil).

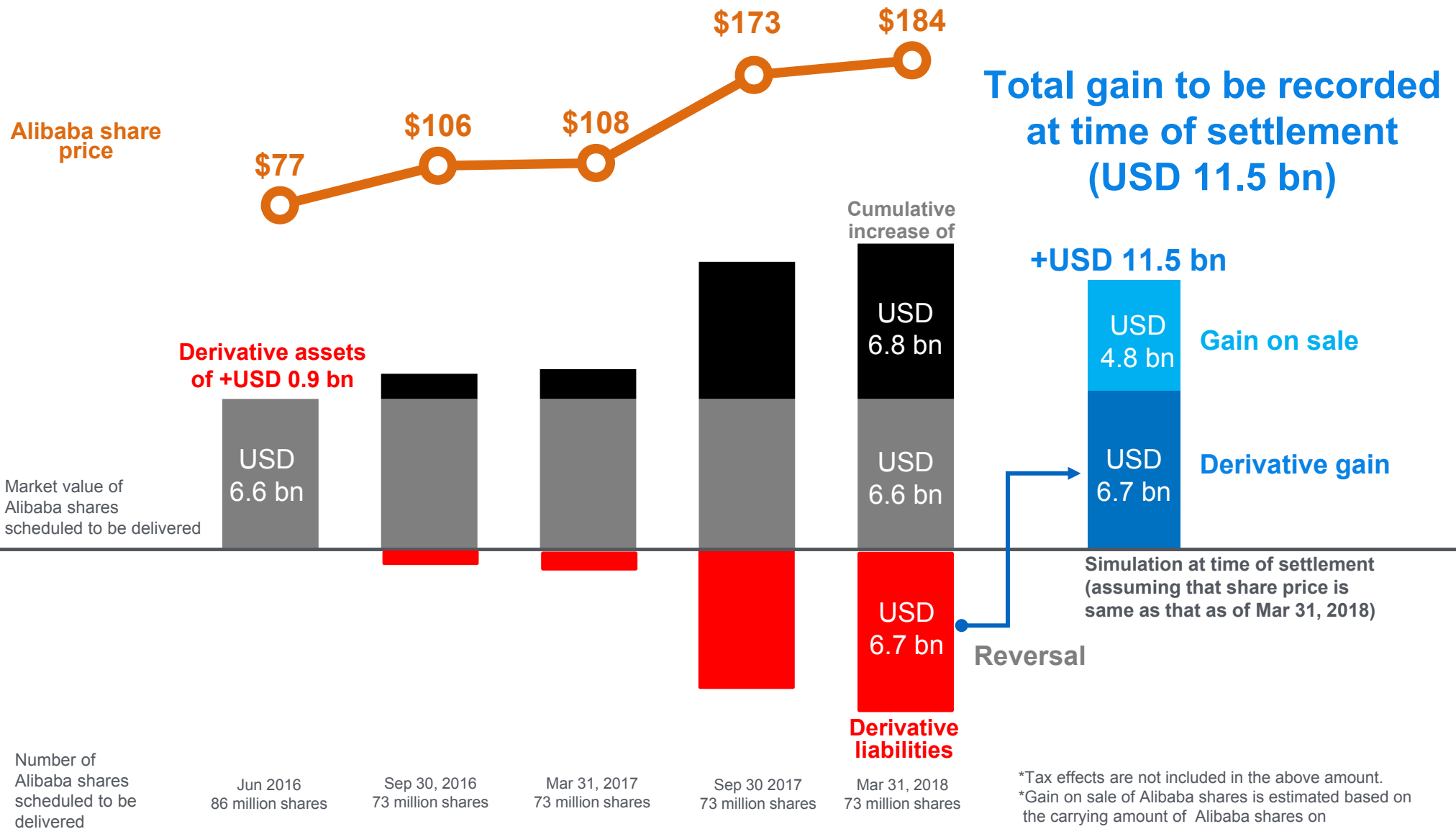
\*3 This includes (1) a loss on change in fair value of the non-controlling interests of Alibaba's subsidiaries (recognized as a financial liability due to the assignment of a put option), and (2) a negative adjustment for gain on sale of financial instruments at FVTPL held by Alibaba (under IFRSs, valuation gain on financial instruments at FVTPL had been previously recorded)

\*4 The changes in the fair value of financial assets at FVTPL (CNY +7,646 mil).

\*5 This includes (1) a gain from remeasurement relating to business combination in relation to consolidation of Cainiao Smart Logistics in October 2017 as an out-of-period transaction (CNY +22,400 mil), and (2) the changes in fair value of financial assets at FVTPL (CNY +1,286 mil).

\*6 This includes (1) Reversal of the out-of-period transactions referred at \*5 (CNY 22,400 mil), (2) elimination of the impairment loss from Alibaba Pictures that was recognized on a US GAAP basis but not on an IFRS basis (CNY +18,185 mil), and (3) the changes in the fair value of financial assets at FVTPL (CNY +4,169 mil).

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

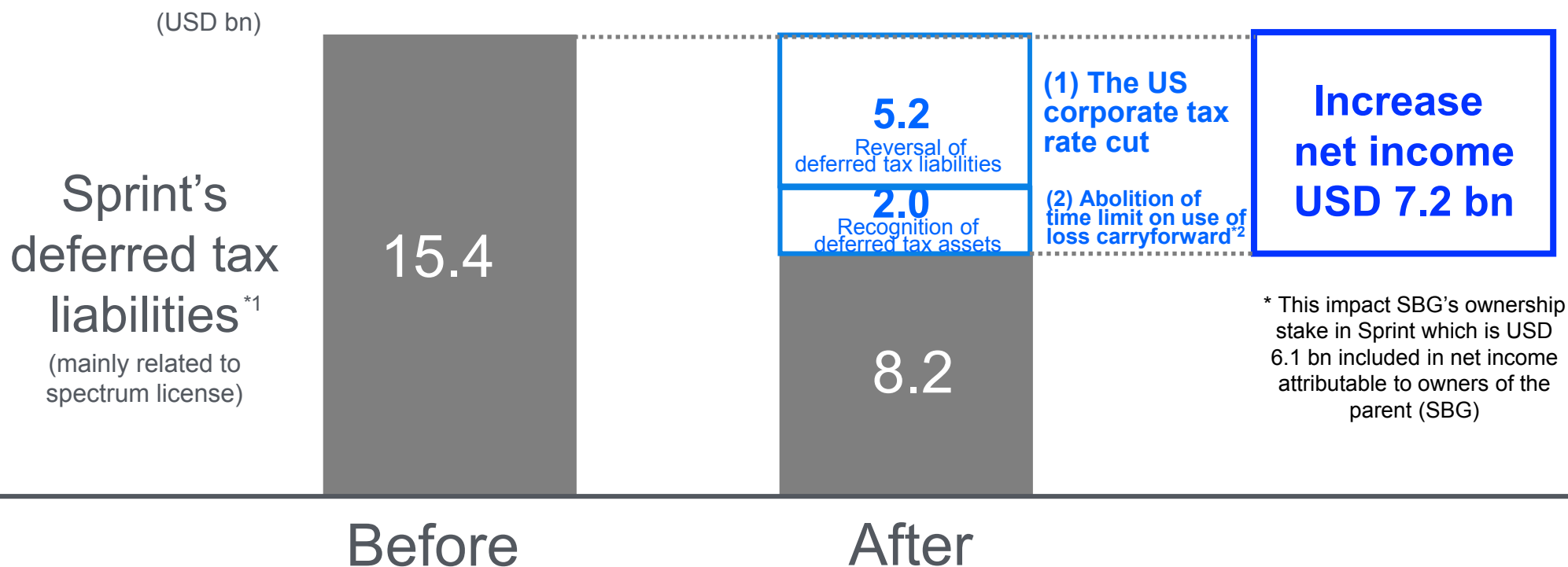


\*Tax effects are not included in the above amount.  
 \*Gain on sale of Alibaba shares is estimated based on the carrying amount of Alibaba shares on consolidated basis as of March 31, 2018.

# (Reference) Difference in Tax Rate

Reconciliation Between Statutory Tax Rate and Effective Tax Rate	FY16		FY17	
	Rate (%)	Amount (JPY bn)	Rate (%)	Amount (JPY bn)
Income before income tax		712.5		384.6
Statutory income tax rate	31.7%	225.8	31.7%	121.9
(main factors of difference)				
- Impact from US tax reform	-	-	-211.4%	-813.1
- Impact from reassessment of the recoverability of deferred tax assets	15.9%	113.1	-33.5%	-128.7
- Income on equity method investments	-5.4%	-38.7	-23.5%	-90.2
- Impact from unitary taxation of overseas subsidiaries	3.8%	27.2	7.5%	28.8
- Impairment loss on goodwill	1.4%	9.6	4.6%	17.6
- Effect from profit or loss that does not impact taxable gain or loss	-7.5%	-53.3	-0.3%	-1.2
- Impact from sale of equity of associate within the group	-71.1%	-506.9	-	-
- Loss relating to loss of control in subsidiary	3.1%	22.2	-	-
- Others	-1.0%	-6.1	3.1%	11.7
Effective income tax rate	-29.1%	-207.1	-221.8%	-853.2

# (Summary) Impacts from the US Tax Reform



\* This impact SBG's ownership stake in Sprint which is USD 6.1 bn included in net income attributable to owners of the parent (SBG)

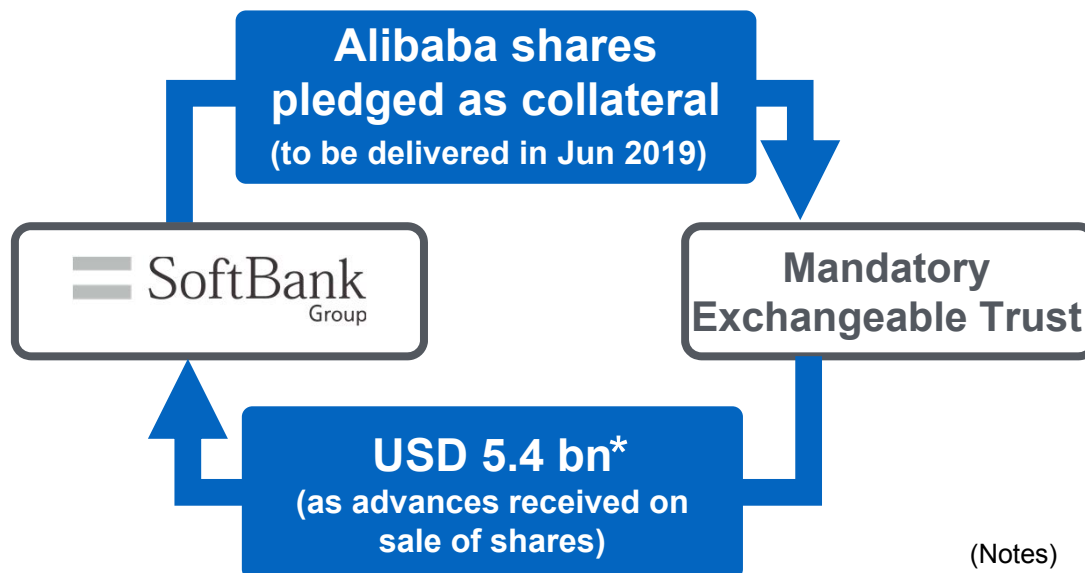
\*1. Deferred tax liabilities mainly related to Sprint's spectrum license (PPA at the time of acquisition of Sprint)

\*2. In the case of Sprint, this denotes a net operating loss (NOL) carryforward to occur in the fiscal year beginning after April 1, 2018.

\* As of March 31, 2018

# Appendix

# Financing from sale of Alibaba shares (June 2016)



(Notes)

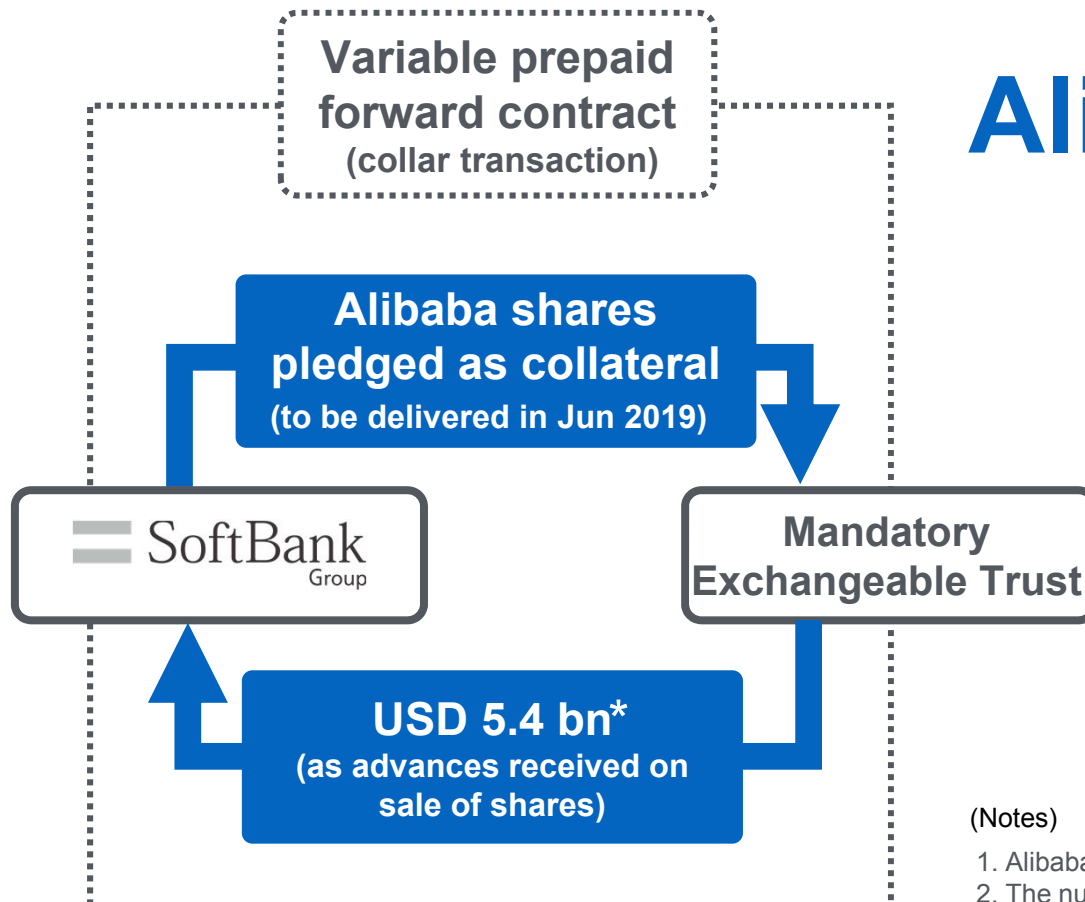
1. Alibaba shares pledged as collateral refer to 86 million shares of Alibaba.
2. The number of Alibaba shares to be delivered will link to the share price of Alibaba at that time.
3. Variable prepaid forward contract was concluded between West Raptor Holdings, LLC, a wholly-owned subsidiary of SoftBank Group International GK, and Mandatory Exchangeable Trust.

\*Financial liabilities of USD 6.6 bn will be repaid in Jun 2019.



# Variable Prepaid Forward Contract (Monetization of Alibaba shares, June 2016)

## In case of Alibaba share price decline

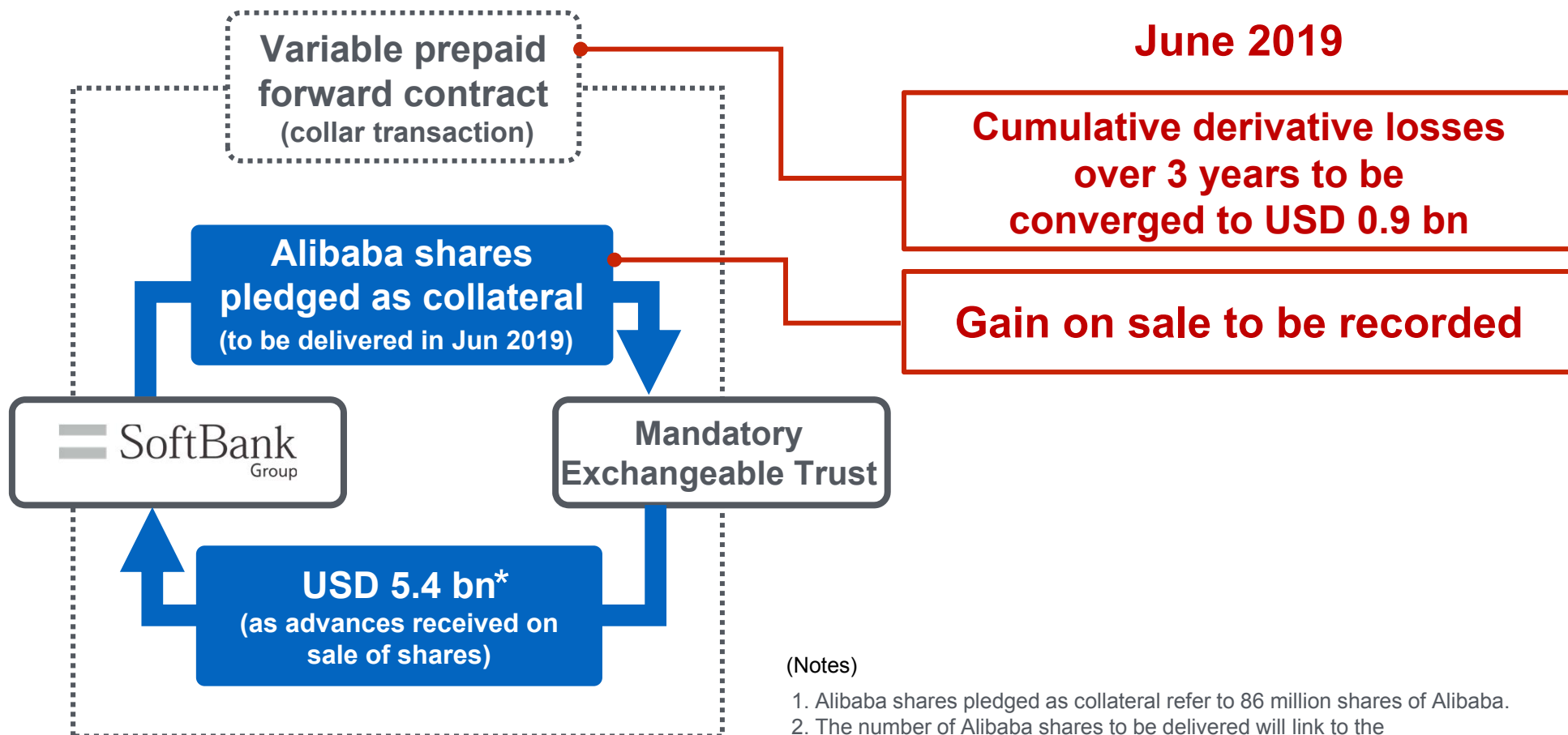


### (Notes)

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# Variable Prepaid Forward Contract (Monetization of Alibaba shares, June 2016)

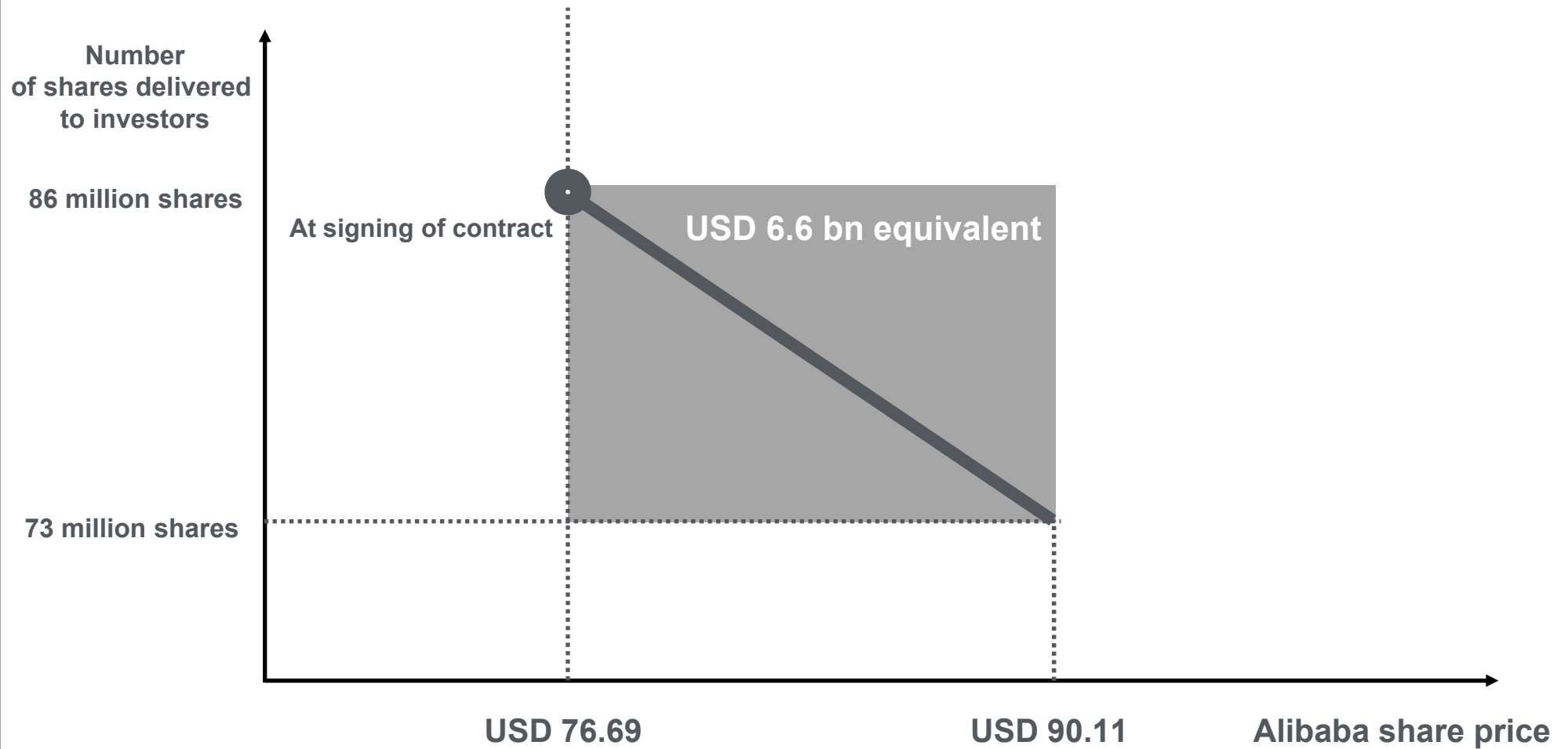


**(Notes)**

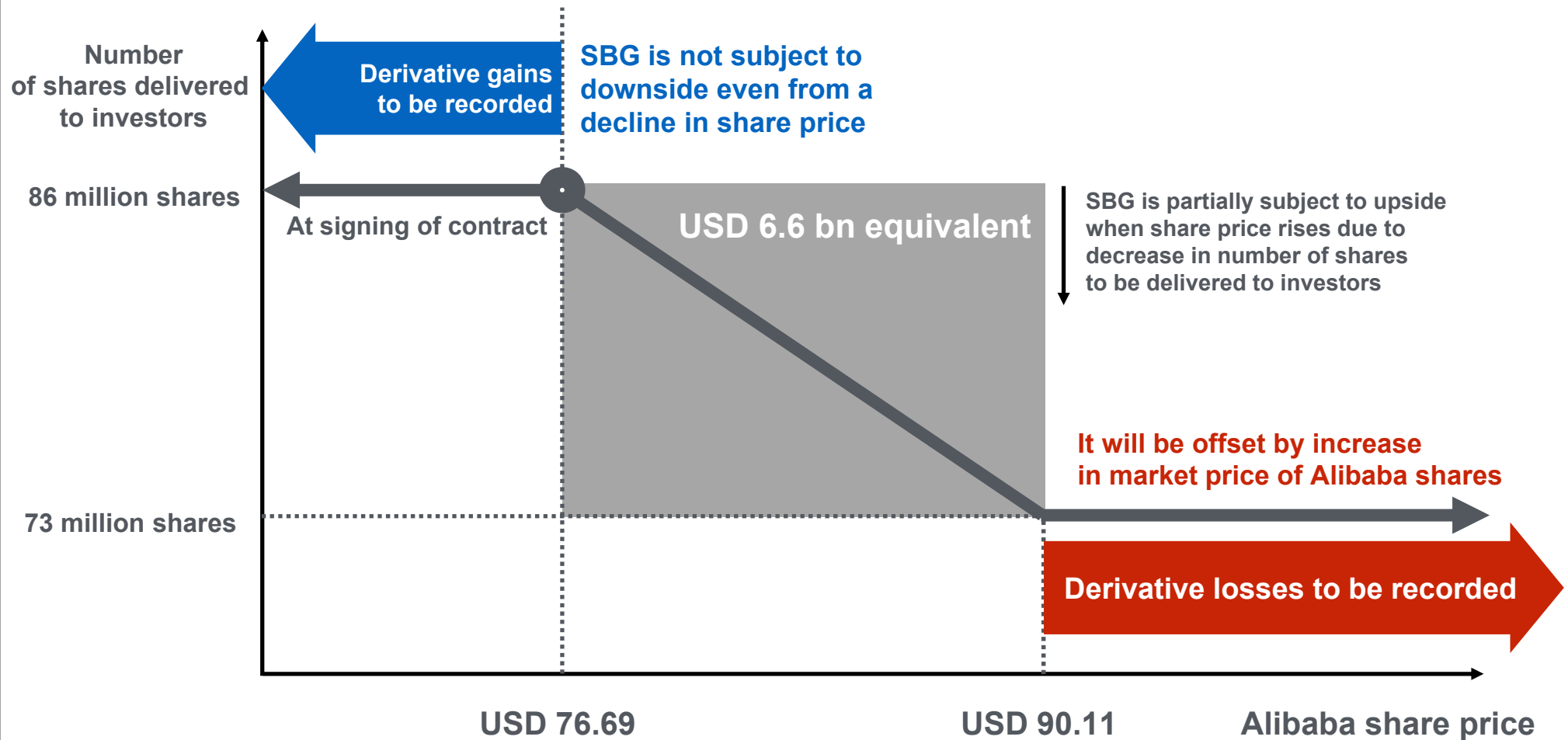
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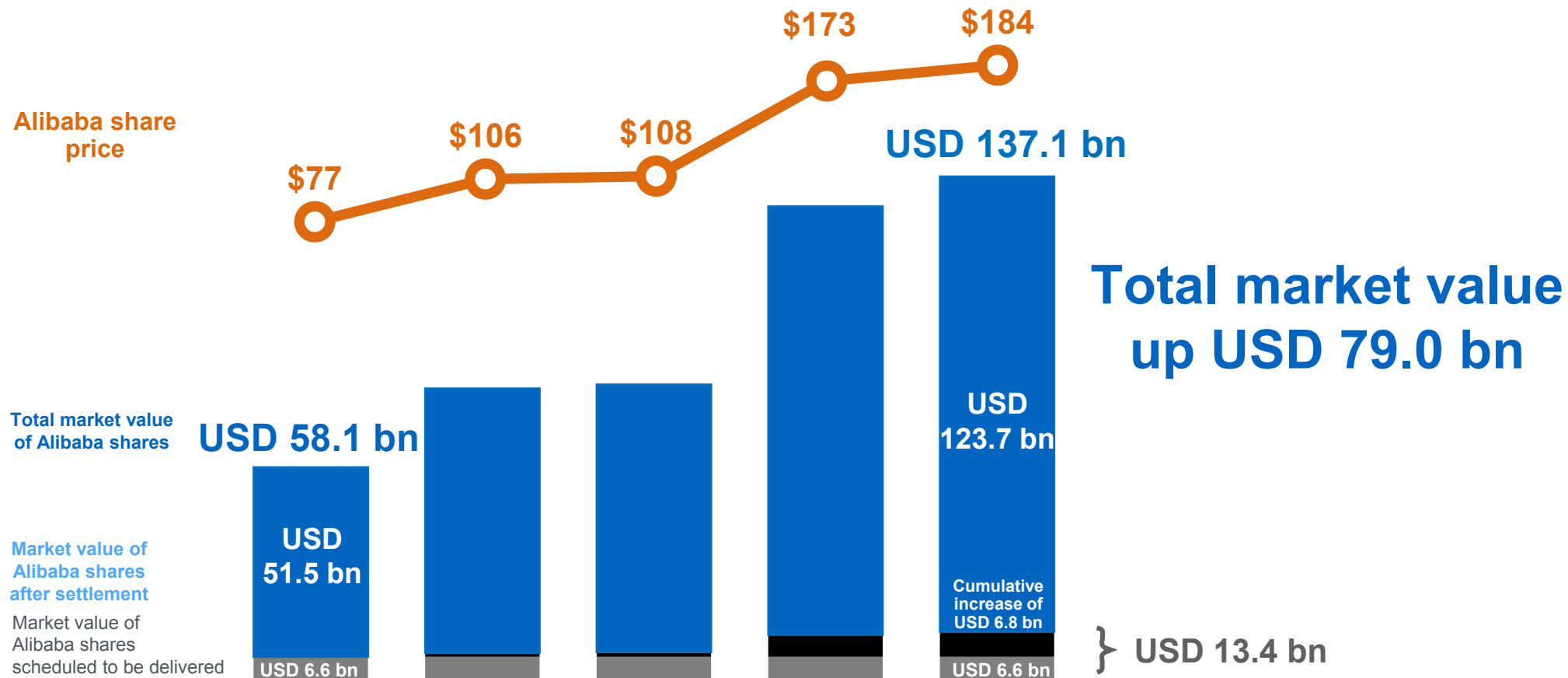
# Collar Transaction Embedded in Variable Prepaid Forward Contract



# Collar Transaction Embedded in Variable Prepaid Forward Contract



# Status of Alibaba Shares -1



Number of Alibaba shares scheduled to be delivered

Jun 2016: 86 million shares  
 Sep 30, 2016: 73 million shares  
 Mar 31, 2017: 73 million shares  
 Sep 30 2017: 73 million shares  
 Mar 31, 2018: 73 million shares

# Status of Alibaba Shares -2



**Increase in market value was not recorded on P/L**



Number of Alibaba shares scheduled to be delivered	Jun 2016	Sep 30, 2016	Mar 31, 2017	Sep 30 2017	Mar 31, 2018
	86 million shares	73 million shares	73 million shares	73 million shares	73 million shares

# Status of Alibaba Shares -3



**Derivative liabilities recorded on B/S**



Number of Alibaba shares scheduled to be delivered	Jun 2016	Sep 30, 2016	Mar 31, 2017	Sep 30, 2017	Mar 31, 2018
	86 million shares	73 million shares	73 million shares	73 million shares	73 million shares

# Status of Alibaba Shares -4



**Increase in derivative liabilities recorded on P/L**  
 (Cumulative derivative losses: USD 7.6 bn)



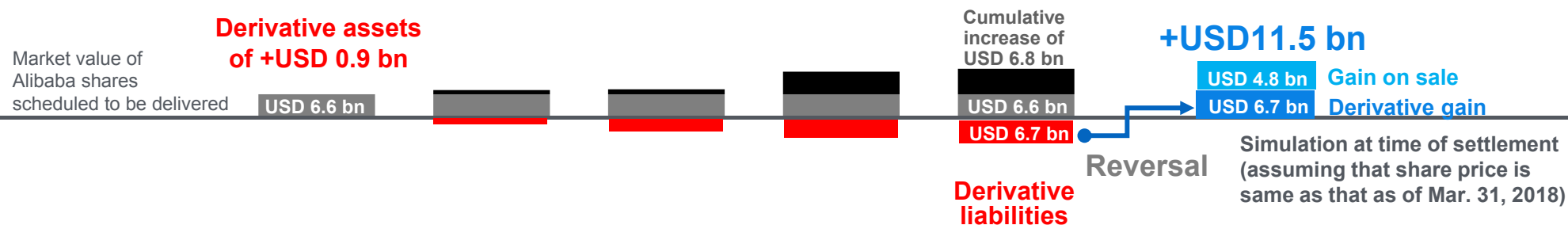
Number of Alibaba shares scheduled to be delivered	Jun 2016	Sep 30, 2016	Mar 31, 2017	Sep 30, 2017	Mar 31, 2018
	86 million shares	73 million shares	73 million shares	73 million shares	73 million shares



# Status of Alibaba Shares -5



**Total gain to be recorded at time of settlement (USD 11.5 bn)**



Date	Number of Alibaba shares scheduled to be delivered
Jun 2016	86 million shares
Sep 30, 2016	73 million shares
Mar 31, 2017	73 million shares
Sep 30, 2017	73 million shares
Mar 31, 2018	73 million shares

\*Tax effects are not included in the above amount.  
 \*Gain on sale of Alibaba shares is estimated based on the carrying amount of Alibaba shares on consolidated basis as of Mar. 31, 2018.

# (Reference) Breakdown of Goodwill

(JPY bn)

B/S item	Main items	As of Mar 2017	As of Mar 2018	Change		Outline
				Changes in exchange rate	Others	
Goodwill		4,175.5	4,302.6	+148.6	-21.5	
	Arm	2,687.9	2,851.4	+167.8	-4.3	Decrease in "others" is related to adjustment to the provisional amount of PPA.
	SoftBank	907.5	907.5	-	-	
	Sprint	330.4	312.8	-17.6	-	
	Ikyu	72.0	72.0	-	-	
	Brightstar	58.0	14.6	-0.5	-42.9	Decrease in "others" is related to impairment losses following the revision of its business plan.
	ASKUL	53.8	53.8	-	-	

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

# (Reference) Breakdown of Intangible Assets

(JPY bn)

B/S item	Main items	As of Mar 2017	As of Mar 2018	Change			Outline	
				Amortization	Changes in exchange rate	Others		
Main intangible assets	<b>FCC licenses (non-amortized)</b>	<b>4,100.7</b>	<b>3,960.6</b>	-	<b>-221.6</b>	<b>+81.5</b>		
	Sprint	4,100.7	3,960.6	-	-221.6	+81.5	Increase in "others" mainly related to FCC licenses acquired through exchange of spectrum with other carriers (non-cash transaction).	
	<b>Technologies</b>	<b>522.9</b>	<b>521.6</b>	<b>-41.8</b>	<b>+32.7</b>	<b>+7.8</b>		
	Main b/d	Arm	522.5	519.0	-41.5	+32.7	+5.3	Increase in "others" related to adjustments to the provisional amount of PPA. Straight-line method. Amortization period: 8-20 years.
	<b>Customer relationships</b>	<b>448.8</b>	<b>332.4</b>	<b>-116.9</b>	<b>+1.4</b>	<b>-0.9</b>		
	Main breakdown	Sprint	209.8	116.8	-85.7	-7.3	-	Sum-of-the-months' digits method. Amortization period: postpaid: 8 years, prepaid: 4 years.
		Arm	144.0	140.6	-12.3	+8.9	-	Straight-line method. Amortization period: 13 years.
		ASKUL	34.8	31.1	-3.7	-	-	Straight-line method. Amortization period: 11 years.
		SoftBank	24.4	14.3	-10.1	-	-	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	13.4	-1.2	-	-	Straight-line method. Amortization period: 10-14 years.
		Brightstar	13.5	7.1	-2.6	-0.2	-3.6	Decrease in "Others" due to impairment losses following the business plan revision. Sum-of-the-months' digits method. Amortization period: 12-16 years.
	<b>Trademarks</b>	<b>703.0</b>	<b>664.9</b>	-	<b>-35.6</b>	<b>-2.5</b>	Excluding trademarks with finite useful lives.	
	Sprint	665.9	630.6	-	-35.3	-		
	ASKUL	20.1	20.1	-	-	-		
	Ikyu	10.1	10.1	-	-	-		
	Brightstar	6.9	4.1	-	-0.3	-2.5	Decrease in "Others" due to impairment losses following the business plan revision.	
	<b>Management contracts</b>	-	<b>115.3</b>	<b>-5.0</b>	<b>-8.0</b>	<b>+128.3</b>		
Fortress	-	115.3	-5.0	-8.0	+128.3	Newly consolidated from Dec 2017. Straight-line method. Amortization period: 1.5-10 years.		

# Finance

# Main Activities in FY2017 (Investments)

	Event	Amount	Timing
<b>Investments</b>	First major closing of SoftBank Vision Fund* <sup>1</sup>	Total committed capital: USD 93.2 bn → USD 97.7 bn  (incl. capital committed by SBG: USD 28.0 bn → USD 32.5bn) <sup>2</sup>	May 2017
	Addition of committed capital to SoftBank Vision Fund and Delta Fund		By Sep 2017
	Investments made by SoftBank Vision Fund and Delta Fund	Accumulated investment amount: USD 29.7 bn	By Mar 2018
	Investment in Uber Technologies, Inc.* <sup>3</sup>	USD 7.7 bn	Jan 2018
	Additional investment in Xiaoju Kuaizhi Inc. (DiDi)* <sup>3</sup>	USD 4.6 bn	Jan – Feb 2018
	Acquisition of Fortress	USD 3.3 bn	Dec 2017

\*1 After the first major closing of SoftBank Vision Fund, Delta Fund was established with SBG and Mubadala as limited partners.

\*2 The amount of capital committed by SBG in SoftBank Vision Fund includes approximately \$8.2 billion of an obligation to be satisfied by using Arm Limited shares.

\*3 Investment in Uber and DiDi may be offered to SoftBank Vision Fund, subject to applicable consent and regulatory and other approvals.

# Main Activities in FY2017 (Funding)

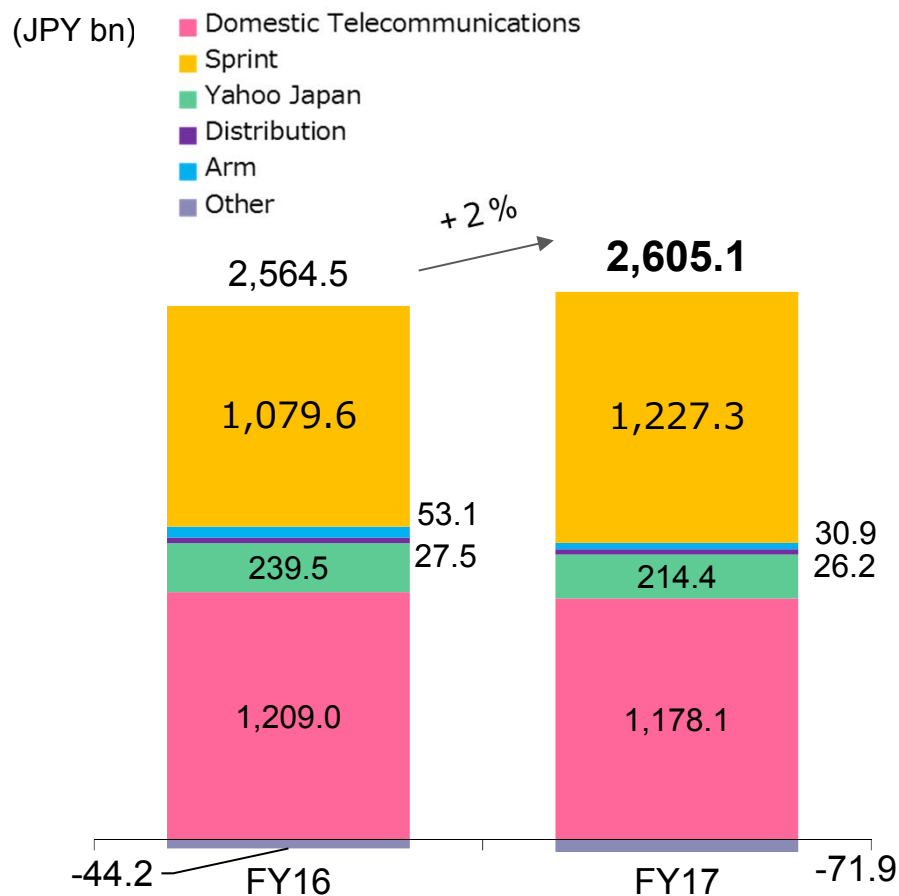
	Event		Amount* <sup>1</sup>	Timing
<b>Funding</b>	Issuance of USD-denominated Undated Subordinated Hybrid Notes	NC6	USD 2.75 bn (JPY 311.3 bn)	Jul 2017
		NC10	USD 1.75 bn (JPY 198.1 bn)	
	Issuance of USD and EUR-denominated Senior Notes	USD7Y	USD 1.35 bn (JPY 148.6 bn)	Sep 2017
		USD10Y	USD 2.00 bn (JPY 220.1 bn)	
		EUR8Y	EUR 1.50 bn (JPY 197.4 bn)	
		EUR12Y	EUR 0.75 bn (JPY 98.7 bn)	
	Bank loan refinance	Senior loan: 7Y	JPY 2.65 tn	Nov 2017
		Hybrid loan: 27Y NC7	JPY 84.0 bn	
	Financing by using Alibaba shares (Margin loan)	Term loan: 3Y	USD 4.0 bn	Mar 2018
		Revolver	USD 4.0 bn	
Consent Solicitation and Exchange Offer for 2015 USD and EUR-denominated Senior Notes				Mar – Apr 2018

\*1 Exchange rate on each press release is applied.

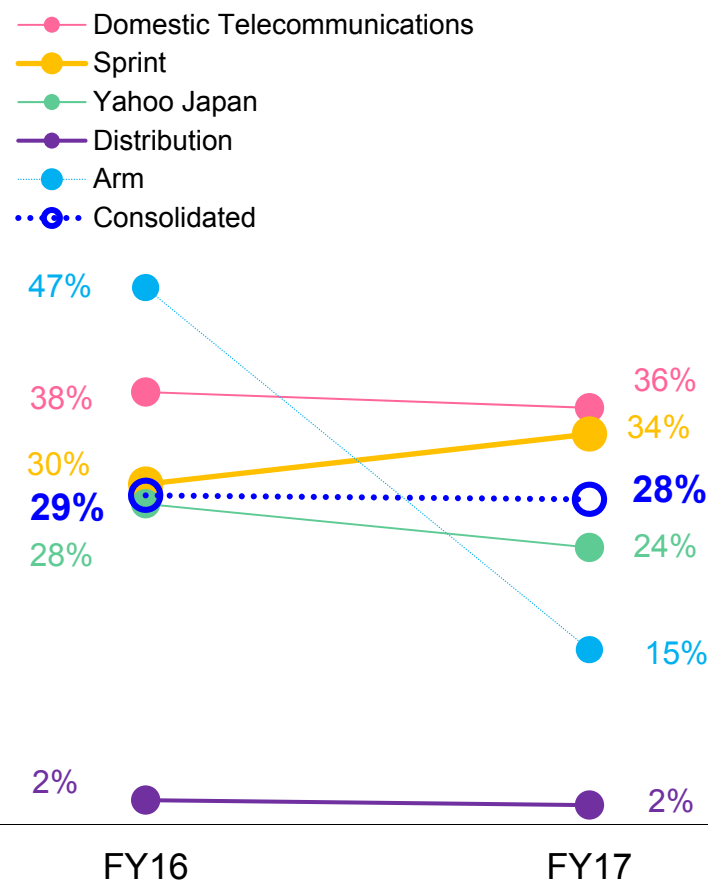
# Adjusted EBITDA and Adjusted EBITDA Margin (1)

Consolidated adjusted EBITDA has been stable.

## Adjusted EBITDA



## Adjusted EBITDA Margin



\*1 Adjusted EBITDA of segments excluding the SoftBank Vision Fund and Delta Fund segment = segment income (loss) + depreciation and amortization ± other adjustments ± other adjustments.  
Adjusted EBITDA of SoftBank Vision Fund and Delta Fund segment = segment income (loss) + depreciation and amortization ± unrealized gain and loss on valuation of investments ± other adjustments

\*2 Adjusted EBITDA margin = adjusted EBITDA / net sales

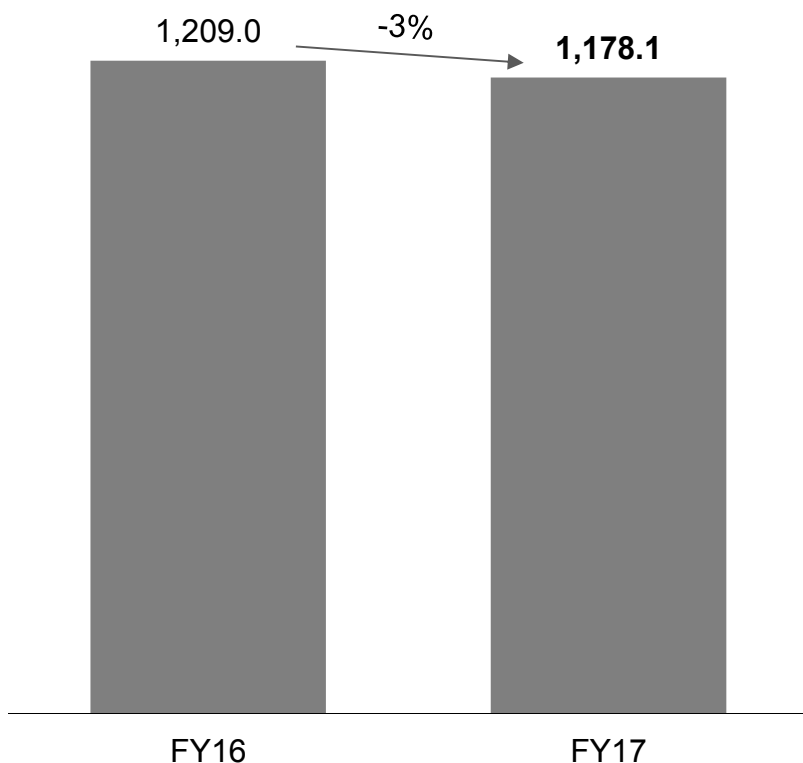
\*3 The Arm segment reflects Arm's results of operations since September 6, 2016.

# Adjusted EBITDA and Adjusted EBITDA Margin (2)

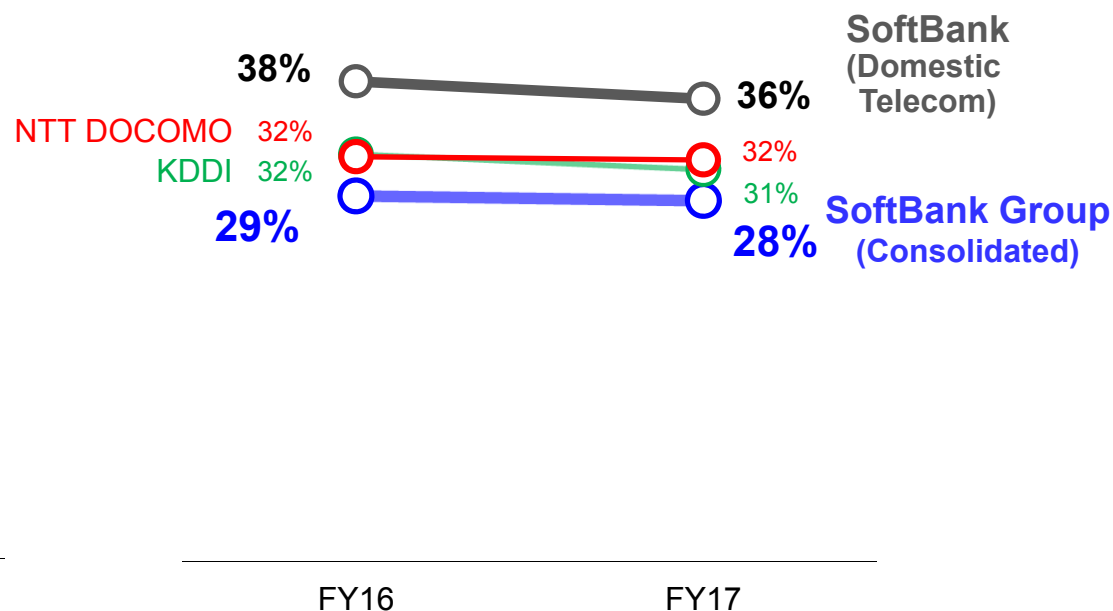
**Domestic Telecommunications segment has sustained high margin.**

## Adjusted EBITDA (Domestic Telecommunications)

(JPY bn)



## Adjusted EBITDA margin



\*1 Adjusted EBITDA of SoftBank Group (Consolidated) = operating income (loss) + depreciation and amortization ± unrealized gain and loss on valuation of investments in SoftBank Vision Fund and Delta Fund segment ± other adjustments

Adjusted EBITDA of SoftBank (Domestic Telecommunications) = segment income (loss) + depreciation and amortization ± other adjustments

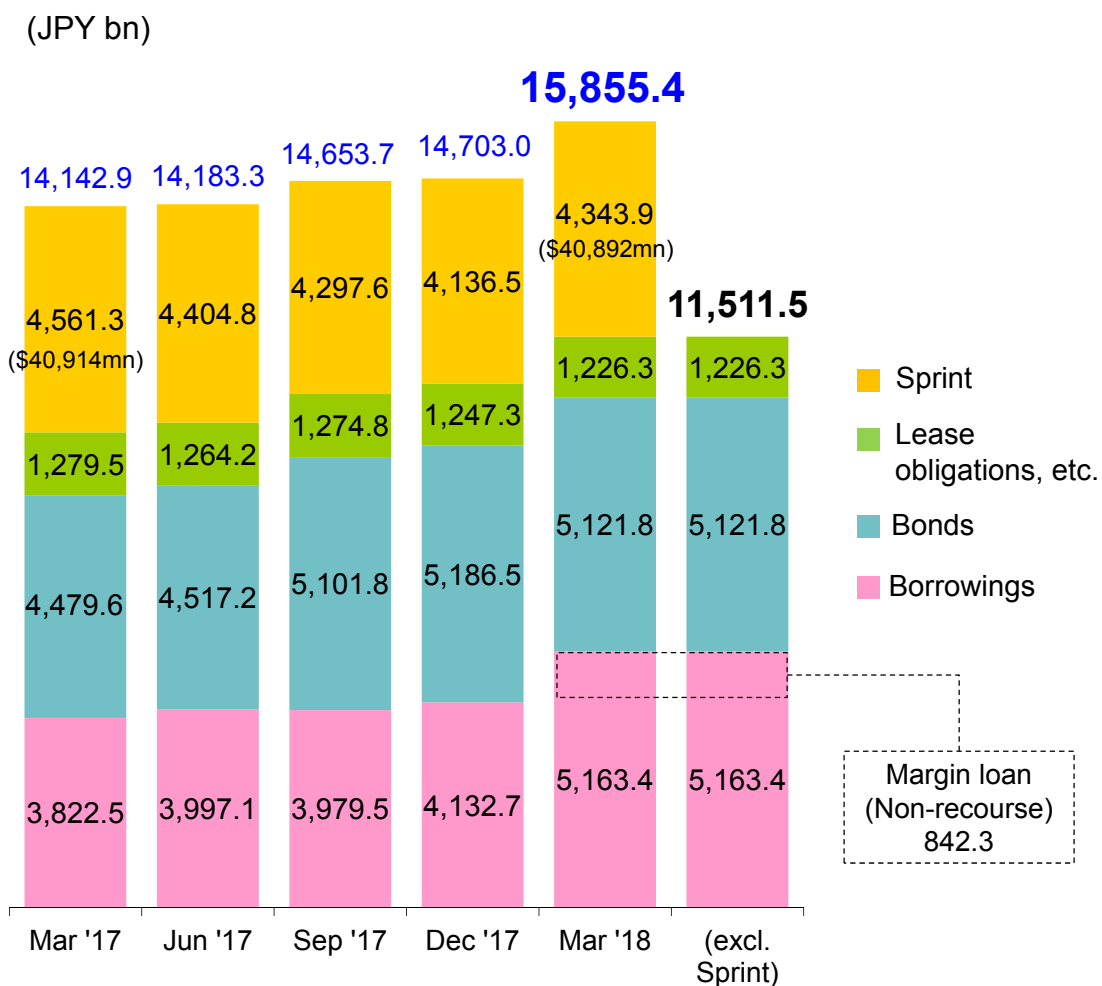
\*2 Adjusted EBITDA margin = adjusted EBITDA / net sales

\*3 Source: Prepared by SBG using company data. NTT DOCOMO based on US-GAAP and KDDI based on IFRSs.



# Interest-bearing Debt

## YoY increase due to financing for contribution into SoftBank Vision Fund



Sprint	JPY bn	Major changes from Mar 2017
Borrowings	1,511.0	+307.1 (Spectrum finance)
Bonds	2,802.6	-384.4 (Redemption)
Other	30.3	
<b>Total</b>	<b>4,343.9</b>	

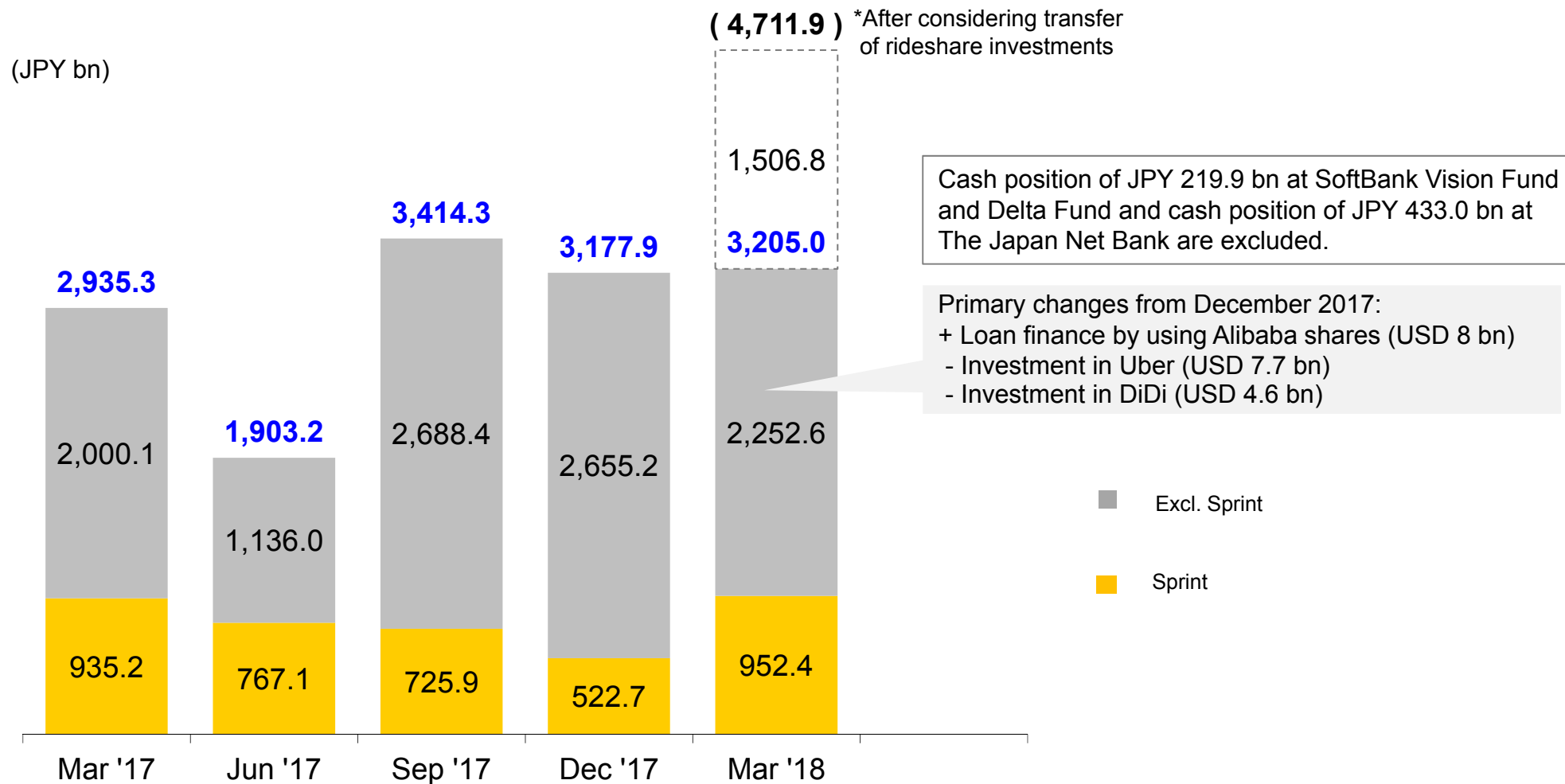
Bonds	JPY bn	
Straight bonds	2,314.1	
Subordinated bonds	1,304.4	
of which Hybrid bonds	463.1	
Foreign currency-denominated bonds	1,503.2	+641.6 (New issuance)
<b>Total</b>	<b>5,121.8</b>	

Borrowings	JPY bn	
SBG borrowings		
Bank loan	2,960.0	
Others	399.2	
SBKK securitization of receivables	611.4	
Borrowings at other subsidiaries	1,192.8	+842.3 (Non-recourse margin loan)
<b>Total</b>	<b>5,163.4</b>	

\*Financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares (JPY 688.3 bn), interest-bearing debt at SoftBank Vision Fund and Delta Fund (JPY 498.4 bn) and deposits for banking business at The Japan Net Bank (JPY 708.3 bn) are deducted from the interest-bearing debt.

# Cash Position

Remain high while new investments were executed.



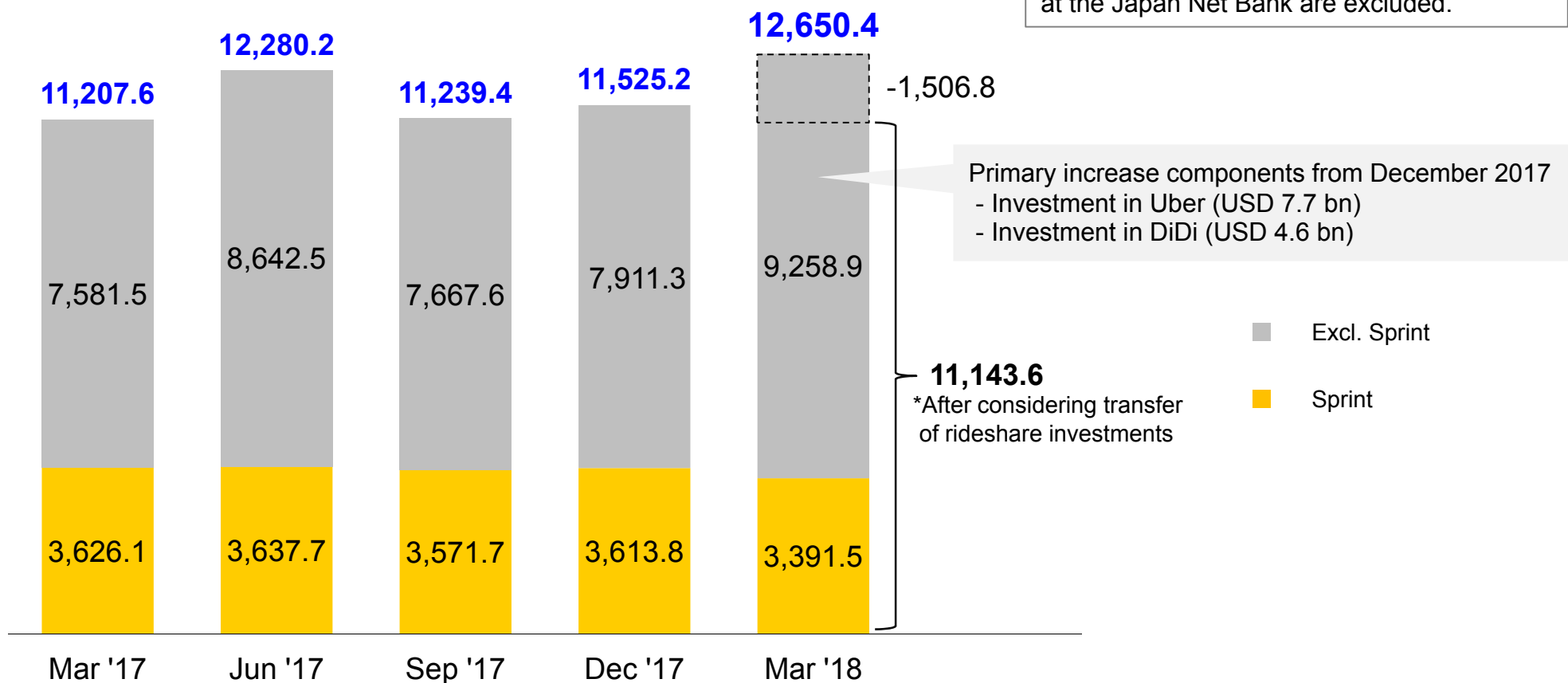
\*1 Cash position = cash and cash equivalents + short-term investments recorded as current assets

# Net Interest-bearing Debt

## Temporarily increased due to bridge investment in Uber and DiDi

(JPY bn)

Net interest-bearing debt of JPY278.5 bn at SoftBank Vision Fund and Delta Fund and net interesting-bearing debt of JPY275.3 bn at the Japan Net Bank are excluded.

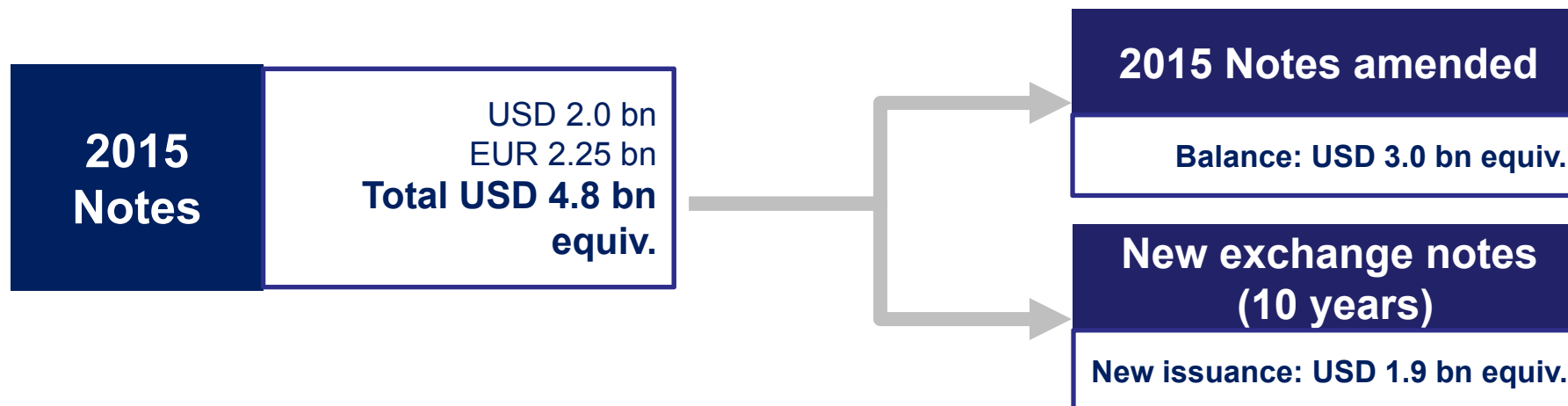


\*1 Net interest-bearing debt = interest-bearing debt – cash position

\*2 Financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares, net interest-bearing debt at SoftBank Vision Fund and Delta Fund and net interesting-bearing debt (deposits for banking business – cash position) at The Japan Net Bank are deducted from net interest-bearing debt.

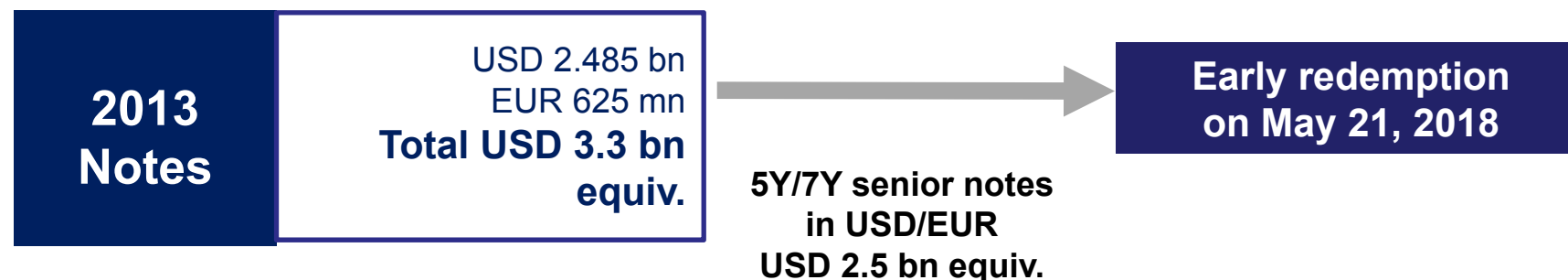
# Result of USD/EUR Notes Restructuring

## 2015 Notes<sup>\*1</sup>: Consent solicitation and exchange offer



## 2013 Notes<sup>\*2</sup>: Early redemption

Noticed to redeem in its full amount, with the planned redemption date on May 21st



\*1 Foreign currency-denominated senior notes issued in 2015.

\*2 Foreign currency-denominated senior notes issued in 2013.

\*3 See Appendix for more details.

# Subsidiary Guarantee on SBG Debts

- After the listing of SoftBank Corp. is approved by TSE, guarantee on SBG debts would be released.
- All the senior unsecured debts of SBG will be pari passu after the guarantee release.

	Condition of guarantee release	
<b>Bank loan*</b>	TSE approval of the listing of SoftBank Corp.	<div style="text-align: center;"> <div style="background-color: red; color: white; padding: 5px; margin-bottom: 5px;">Listing approval of TSE</div> <div style="font-size: 10px;">↓</div> <div style="background-color: blue; color: white; padding: 5px; margin-bottom: 5px;">Guarantee release</div> </div>
<b>Domestic unsecured senior notes</b>	Guarantee release on Bank loans	<div style="text-align: center;"> <div style="font-size: 10px;">⋮</div> <div style="background-color: blue; color: white; padding: 5px; margin-bottom: 5px;">Guarantee release</div> </div>
<b>USD/EUR unsecured senior notes</b>	Guarantee release on all the other SBG debts	<div style="text-align: center;"> <div style="font-size: 20px; color: lightblue;">⇩</div> <div style="background-color: blue; color: white; padding: 5px; margin-bottom: 5px;">Guarantee release</div> </div>

\*The loan agreement dated November 2, 2017, a part of which are applicable to the obligations for loans made to repay SBG's obligations pursuant to the loan agreement dated September 13, 2013.

# Non-Recourse Margin Loan

- Executed non-recourse financing by using highly-liquid Alibaba ADR shares
- Built great flexibility into short-term financing needs with revolver facility

## Principal terms

Execution Date	March 2018
Amount	USD 8 bn <ul style="list-style-type: none"><li>• Term Loan Facility : USD 4 bn</li><li>• Revolver Facility : USD 4 bn</li></ul>
Lenders	16 lenders initially
Collateral	Alibaba ADR shares
Terms	3 years
Others	Non-recourse to SBG

### Trading value ranking in US market\*1

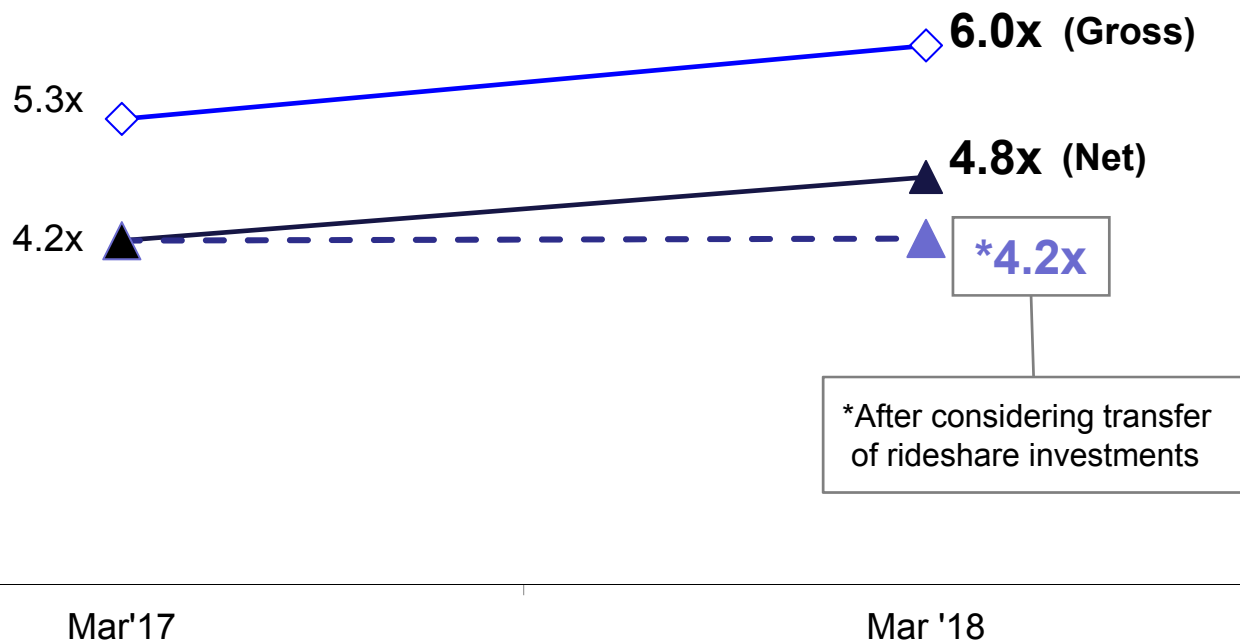
	30 day-average trading value
1 AMAZON	USD 9.4 bn
2 FACEBOOK	USD 6.5 bn
3 APPLE	USD 6.2 bn
4 NETFLIX	USD 3.7 bn
5 NVIDIA	USD 3.2 bn
<b>6 ALIBABA</b>	<b>USD 3.2 bn</b>
7 MICROSOFT	USD 3.1 bn
8 TESLA	USD 2.8 bn
9 MICRON	USD 2.5 bn
10 ALPHABET	USD 2.5 bn

\*1 Prepared by SBG based on Bloomberg data. (As of May 9, 2018. Excluding ETF)

# Leverage Ratio

Net leverage ratio temporarily increased due to bridge investment in Uber and DiDi

Leverage ratio (gross / net)



\*After considering transfer of rideshare investments

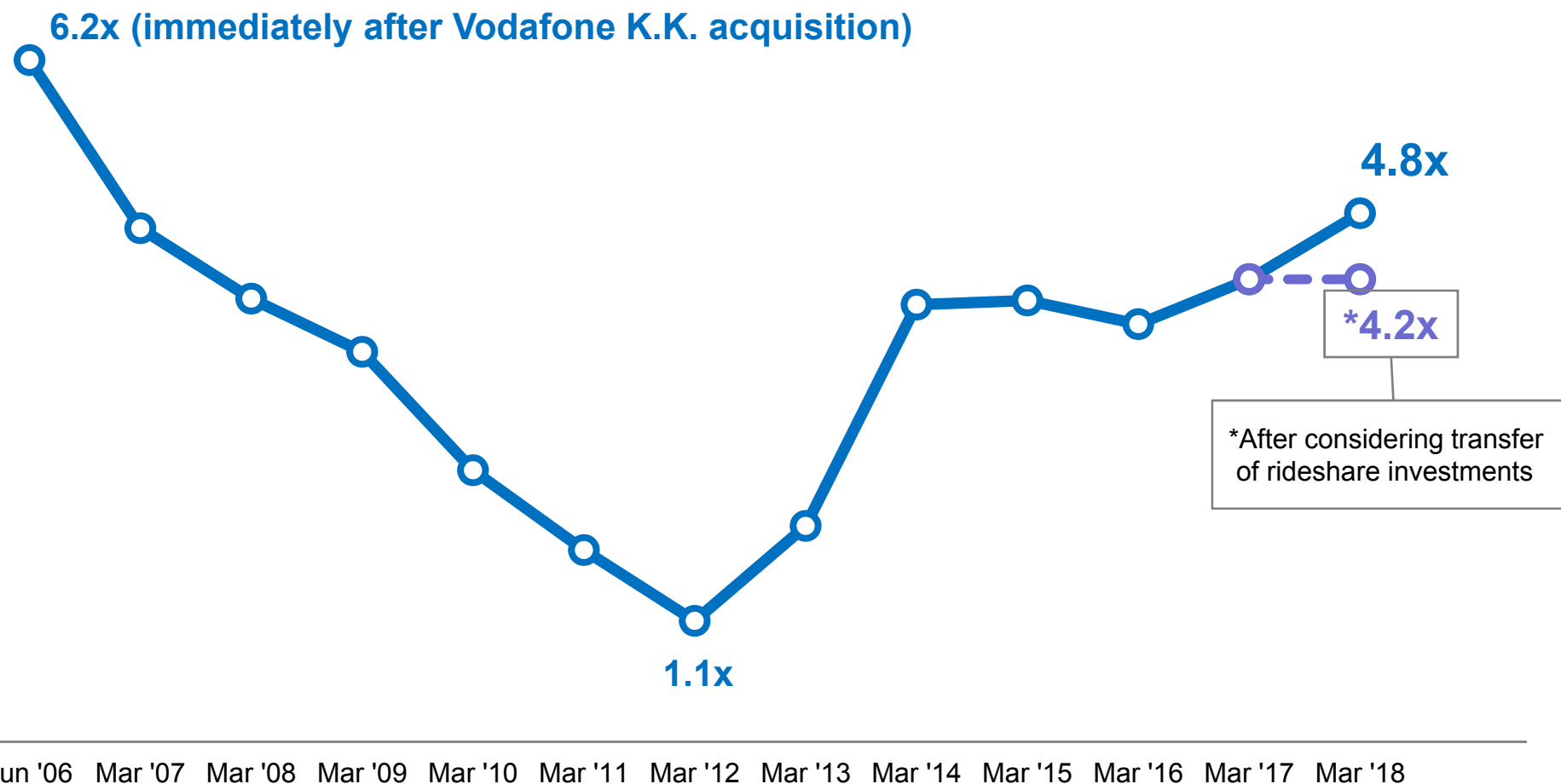
\*1 Gross leverage ratio = interest-bearing debt / adjusted EBITDA

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

\*3 Financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares, net interest-bearing debt at SoftBank Vision Fund and Delta Fund and net interest-bearing debt (deposits for banking business – cash position) at The Japan Net Bank are deducted from the interest-bearing debt. Fifty percent of the funds procured through Hybrid Notes and Hybrid Loan are treated as equity in calculation.

\*4 Cash position includes future proceeds from the sale of Supercell shares.

# Net Leverage Ratio (Consolidated)



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

\*2 Until FY2011: JGAAP, including finance leases and preferred securities.

\*3 Adjusted EBITDA for FY2014 has been revised retrospectively due to GungHo becoming an equity method associate. Adjusted EBITDA for FY 2015 includes Supercell.

\*4 Arm's adjusted EBITDA for March 2017 is annualized.

\*5 Cash position includes future proceeds from the sale of Supercell shares and cash to be reimbursed from SoftBank Vision Fund and Delta Fund for the investments that have been agreed to be transferred from SBG.

\*6 Financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares, net interest-bearing debt at SoftBank Vision Fund and Delta Fund and net interest-bearing debt (deposits for banking business – cash position) at The Japan Net Bank are deducted from the interest-bearing debt. Fifty percent of the funds procured through Hybrid Bonds and Hybrid Loan are treated as equity in calculation.



# Leverage Ratio of Domestic Telco Business and Debt Coverage Ratio



## Leverage ratio of Domestic Telco business

# Domestic Telco

SoftBank  
(incl. Sprint acquisition cost)

## Debt coverage ratio

# Others

<Equity Holdings>

Net interest-bearing debt	JPY 3.0 tn		=		2.6x
Adjusted EBITDA	JPY 1.2 tn				

Net interest-bearing debt	JPY 5.2 tn		=		24%
Equity value of shareholdings	JPY 21.4 tn				29%
					(*Before considering transfer of rideshare investments)

\*1 Net interest-bearing debt: As of March 31, 2018. Financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares and net interest-bearing debt at Domestic Telco, Sprint, Yahoo Japan (incl. The Japan Net Bank), Arm and SoftBank Vision Fund are deducted. After considering 50% equity credit of the Hybrid Notes (September 2016 and July 2017) and the Hybrid Loan (November 2017). After considering the reimbursement for the transfer of rideshare investments to SoftBank Vision Fund from SBG.

\*2 Market value of listed shareholdings: as of April 27, 2018. USD1 = JPY109.35 (as of April 27, 2018)49

# Leverage Ratio of Domestic Telco Business and Debt Coverage (details)

## Domestic Telco

**2.6x**

Net interest-bearing debt  
JPY 1.77 tn

Securities of receivables  
JPY 0.61 tn

Lease obligations etc.  
JPY 1.21 tn

Cash position  
-JPY 0.04 tn

Sprint acquisition cost  
JPY 1.25 tn

Domestic Telco  
Net interest-bearing debt  
(incl. Sprint acquisition cost)  
JPY 3.0 tn

Domestic Telco  
Adjusted EBITDA  
JPY 1.2 tn

## Others

**24%** 29% (\*Before considering transfer of  
rideshare investments)

Net interest-bearing debt (consolidated basis) **+JPY 12.93 tn**

- Net interest-bearing debt  
(Domestic Telco, Sprint, YJ, Arm, SoftBank Vision Fund) **-JPY 6.17 tn**

- Reimbursement for the transfer of rideshare investments **-JPY 1.50 tn**

+ 50% of Hybrid Notes (issued in Jul 2017) **+JPY 0.25 tn**

- 50% of Hybrid Bonds and Loans  
(issued in Sep 2016 and executed in Nov 2017) **-JPY 0.27 tn**

**Net interest-bearing debt in total : JPY 5.2 tn**

Market cap. of listed shareholdings (Alibaba, Sprint, YJ, etc.) **+JPY 16.40 tn**

Arm (on acquisition) **+JPY 3.71 tn**

Equity value of non-listed shareholdings (fair value)\* **+JPY 1.27 tn**

**Equity value of shareholdings in total : JPY 21.4 tn**

\* Totals of the consolidated carrying amounts of non-listed shareholdings on B/S that are recognized as financial instruments at FVTPL or at FVTOCI as of March 31, 2018. Of those amounts, interest-bearing debt at SoftBank Vision Fund is deducted from the fair value of investments by SoftBank Vision Fund (excl. third-party interests).

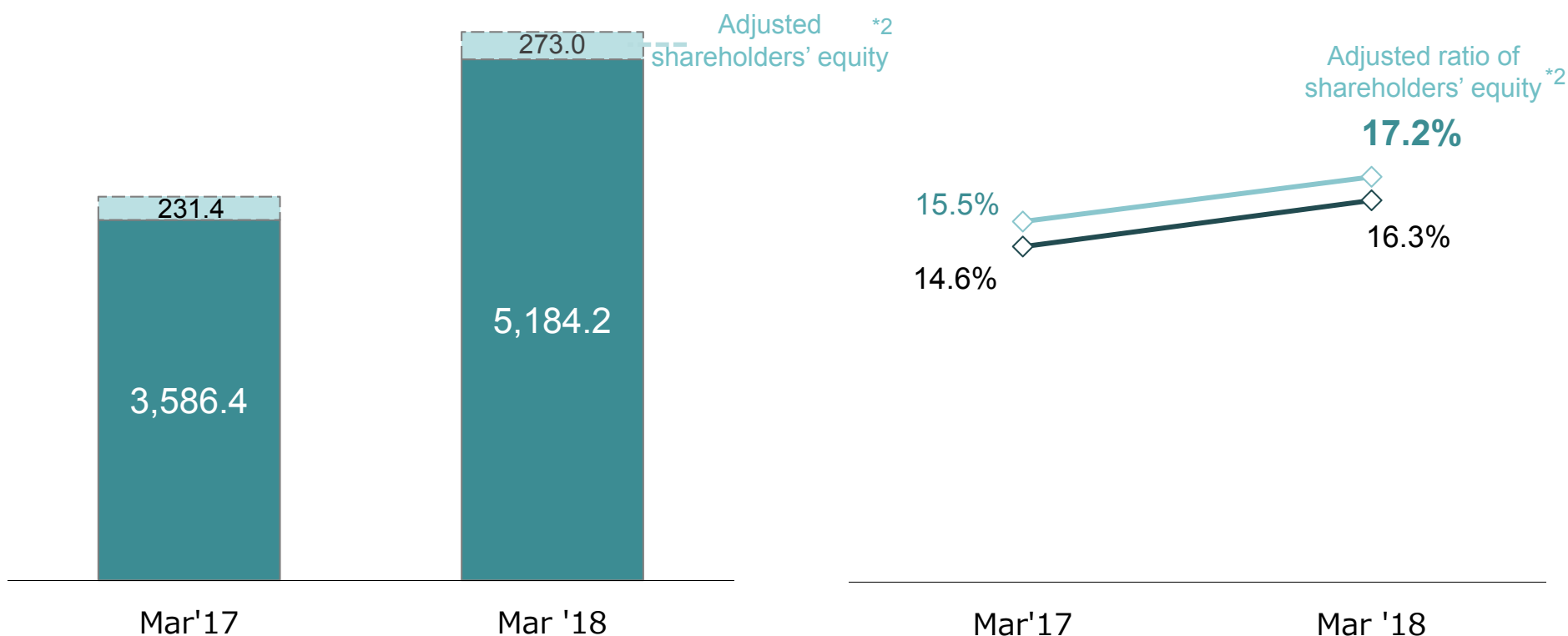
# Shareholders' Equity Ratio

Shareholders' equity significantly increased due to net income growth and the Hybrid Notes issuance.

Shareholders' equity <sup>\*1</sup>

Shareholders' equity ratio

(JPY bn)

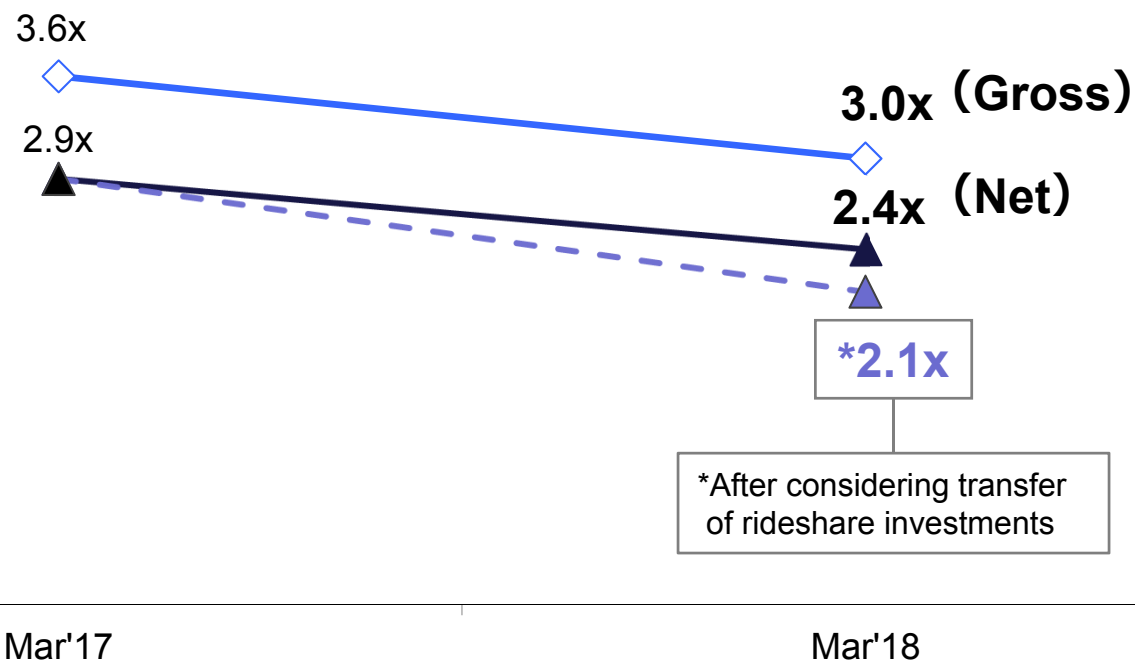


\*1 Shareholders' equity = equity attributable to owners of the parent

\*2 After considering adjustments related to Hybrid Notes issued in July 2017 and Hybrid Loan executed in November 2017, shown as reference.

# Debt / Equity Ratio

## Debt / equity ratio (gross / net)



\*After considering transfer of rideshare investments

\*1 Debt / equity ratio = interest-bearing debt / equity attributable to owners of the parent (shareholders' equity after considering adjustments related to Hybrid Notes issued in September 2016 and July 2017 and Hybrid Loan executed in November 2017)

\*2 Net debt/ equity ratio = net interest-bearing debt /equity attributable to owners of the parent (shareholders' equity after considering adjustments related to Hybrid Notes issued in September 2016 and July 2017 and Hybrid Loan executed in November 2017)

\*3 Financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares, net interest-bearing debt at SoftBank Vision Fund and Delta Fund and net interesting-debt (deposits for banking business – cash position) at The Japan Net Bank are deducted from interest-bearing debt.

\*4 Cash position includes future proceeds from the sale of Supercell shares.

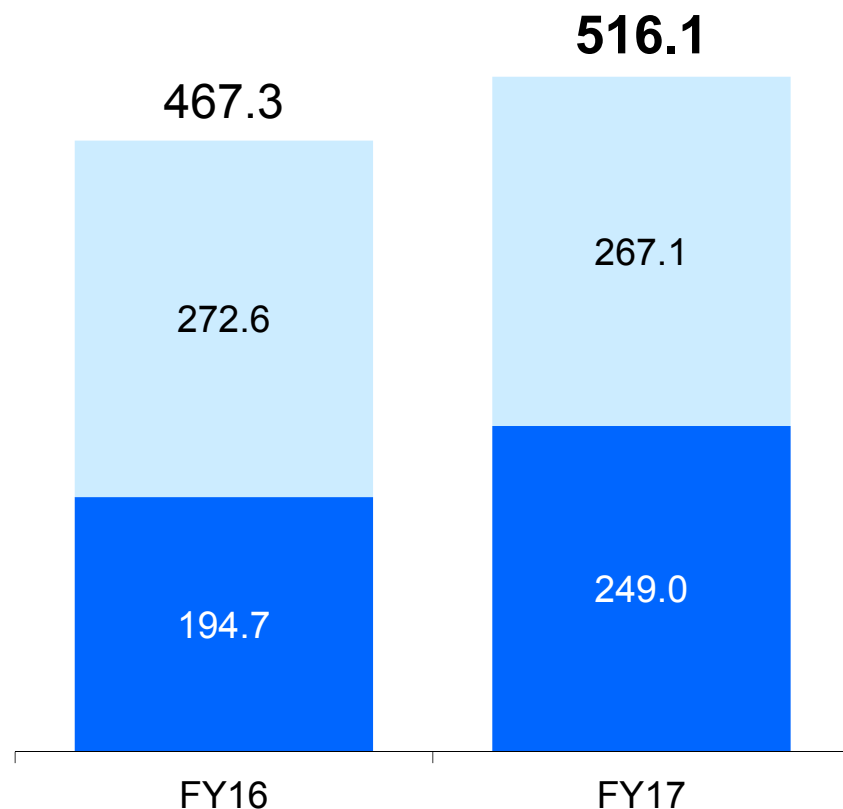
# Interest Expense

Interest expense increased due to Hybrid Notes and foreign currency-denominated senior bonds.

## Interest expense (finance cost)

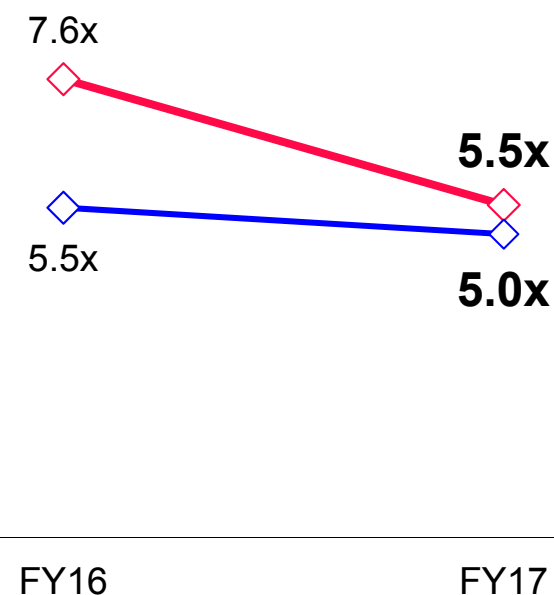
(JPY bn)

■ Excl. Sprint    ■ Sprint



## Interest coverage ratio

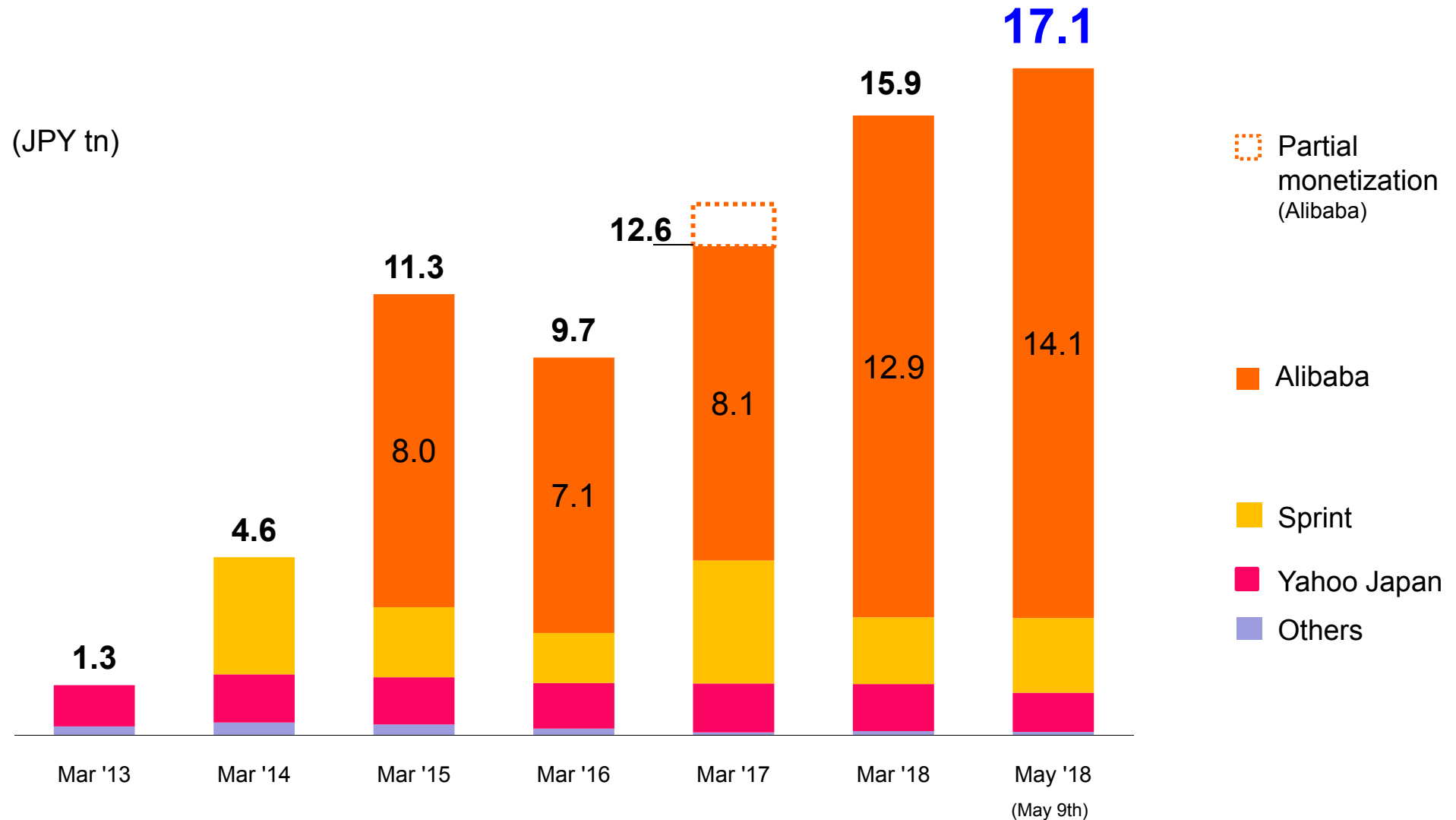
◆ Excl. Sprint    ◆ Consolidated



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

# Market Cap: Major Listed Shareholdings of SBG and Its Subsidiaries

Listed shareholdings amount to JPY 17 tn.



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

# Current Status of SoftBank Vision Fund and Delta Fund

## <Capital Deployment (as of March 31)>

<USD bn>

	SoftBank Vision Fund		Delta Fund	
	SBG	Third-party LP	SBG	Third-party LP
<b>Total committed capital</b>	<b>91.7</b> <sup>*1</sup>		<b>6.0</b> <sup>*1</sup>	
	28.1 <sup>*2</sup>	63.6 <sup>*1</sup>	4.4	1.6 <sup>*1</sup>
<b>Total contribution</b> <sup>*4</sup>	<b>21.2</b>		<b>5.1</b>	
	6.4	14.8	3.7 <sup>*3</sup>	1.4

## <Main Investment Portfolio><sup>\*5</sup>



























\*1 A portion of the capital committed by Mubadala Investment Company in SoftBank Vision Fund and Delta Fund has been committed in consideration of the total capital committed for both funds; hence, the total committed capital and remaining committed capital for each fund will change according to the status of contribution by Mubadala Investment Company in each fund.

\*2 The amount includes approximately \$8.2 billion of an obligation to be satisfied by using Arm Limited shares.

\*3 The Company acquired investment securities in Xiaoju Kuaizhi Inc. (DiDi) and then transferred them to Delta Fund. The value of this transfer was offset against the amount of the Company's capital obligation to Delta Fund.

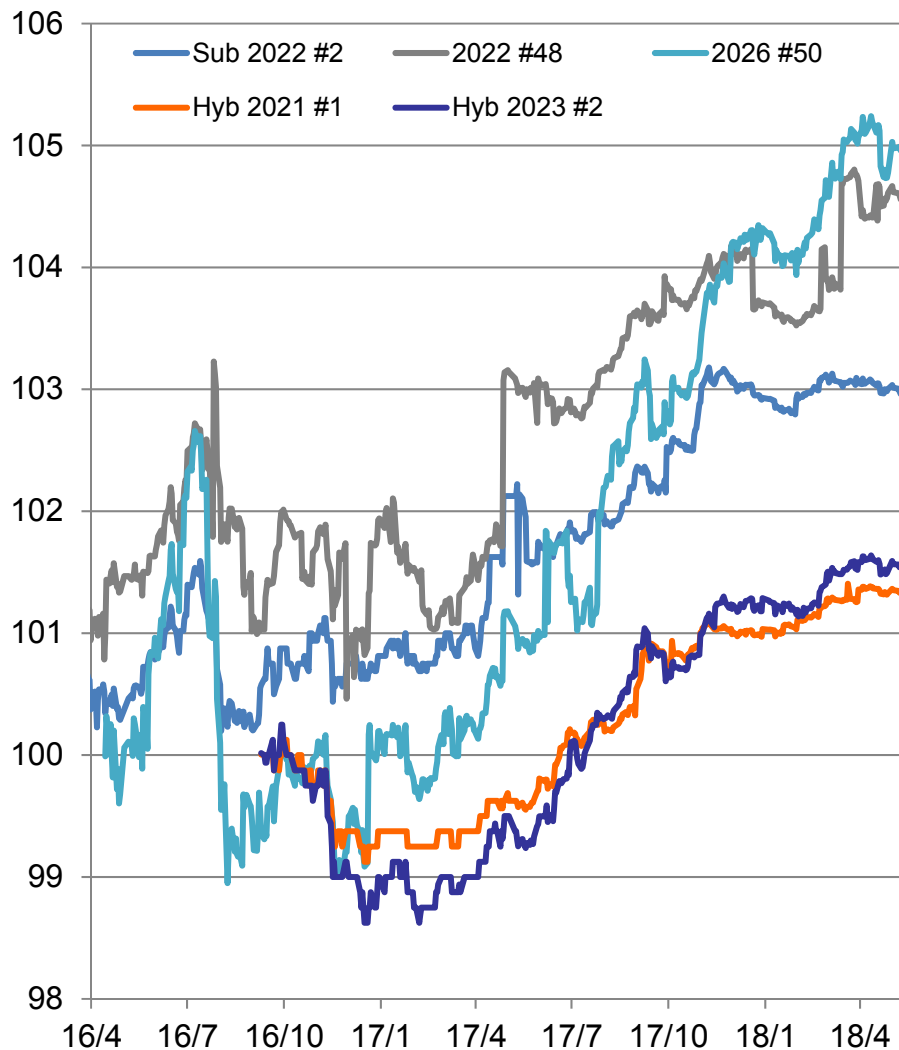
\*4 Investments led by SB Investment Advisers (the "Manager"): The investments presented herein are solely for illustrative purposes and have been selected to showcase the variety of investments led by the Manager. They do not purport to be a complete list thereof and are not indicative of future investments.

\*5 The investments presented herein are solely for illustrative purposes and have been selected to showcase the variety of investments. They do not purport to be a complete list thereof and are not indicative of future investments. Investment in OneWeb has not yet closed into SoftBank Vision Fund as of the date of this presentation. Ping An HealthConnect also uses the name Ping An Healthcare Technology.

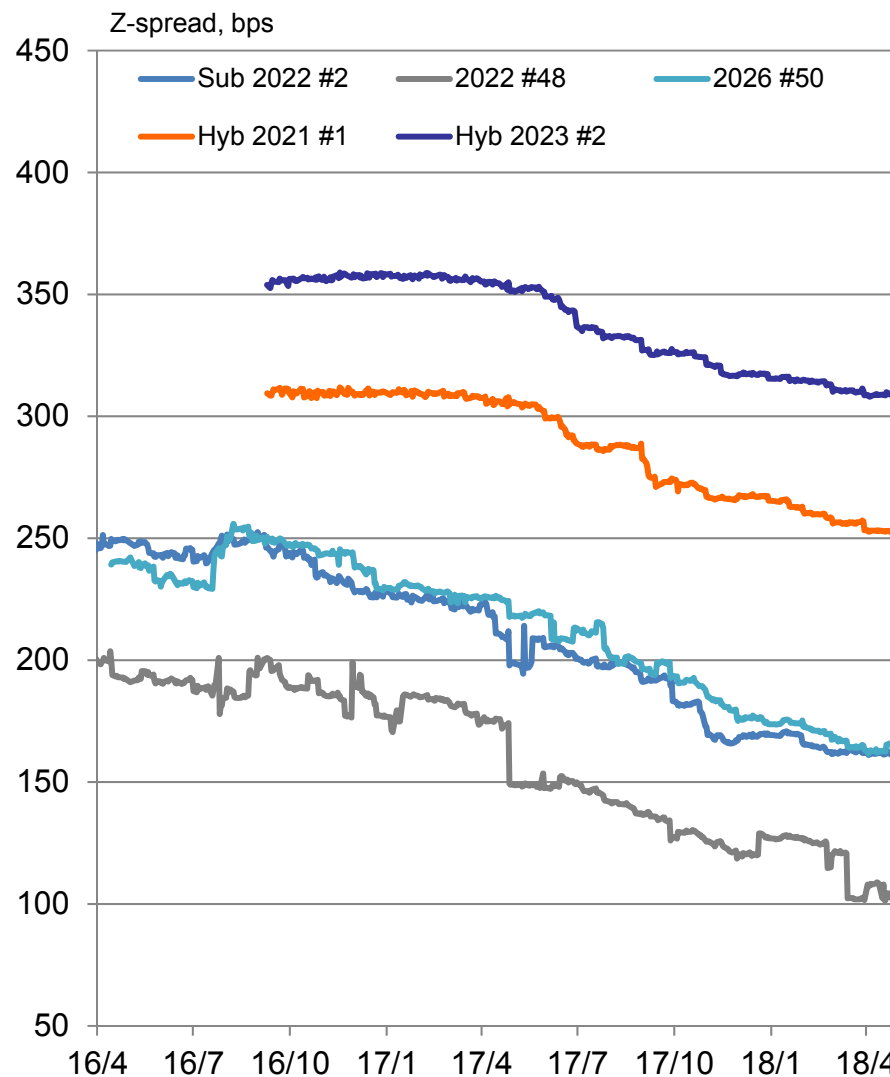
\* Certain SoftBank Vision Fund investments described herein have not yet been acquired by SoftBank Vision Fund and are subject to pending regulatory approvals. There can be no assurance that any pending acquisition will be consummated at all or on the current terms of the agreement.

# SBG: Price and Spread of JPY Notes

## Price



## Spread



\*1 Prepared by SBG based on Bloomberg data. As of May 9, 2018.

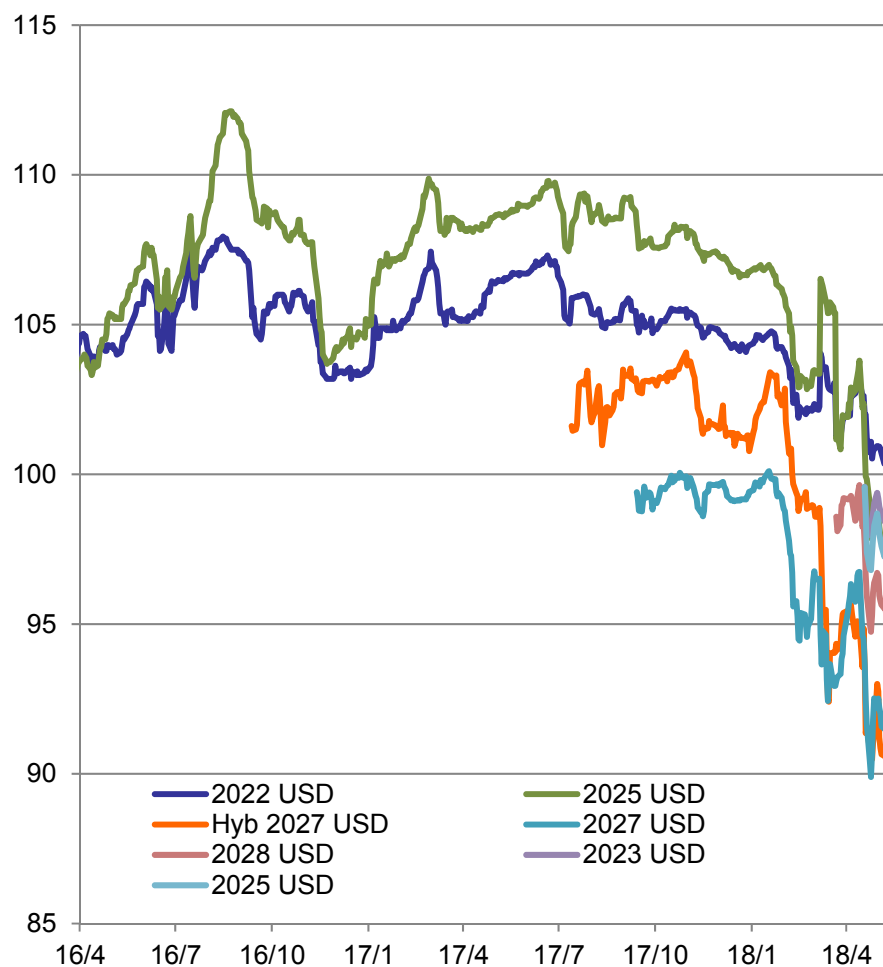
\*2 Maturity years for on Hybrid Notes refer to the first call year.



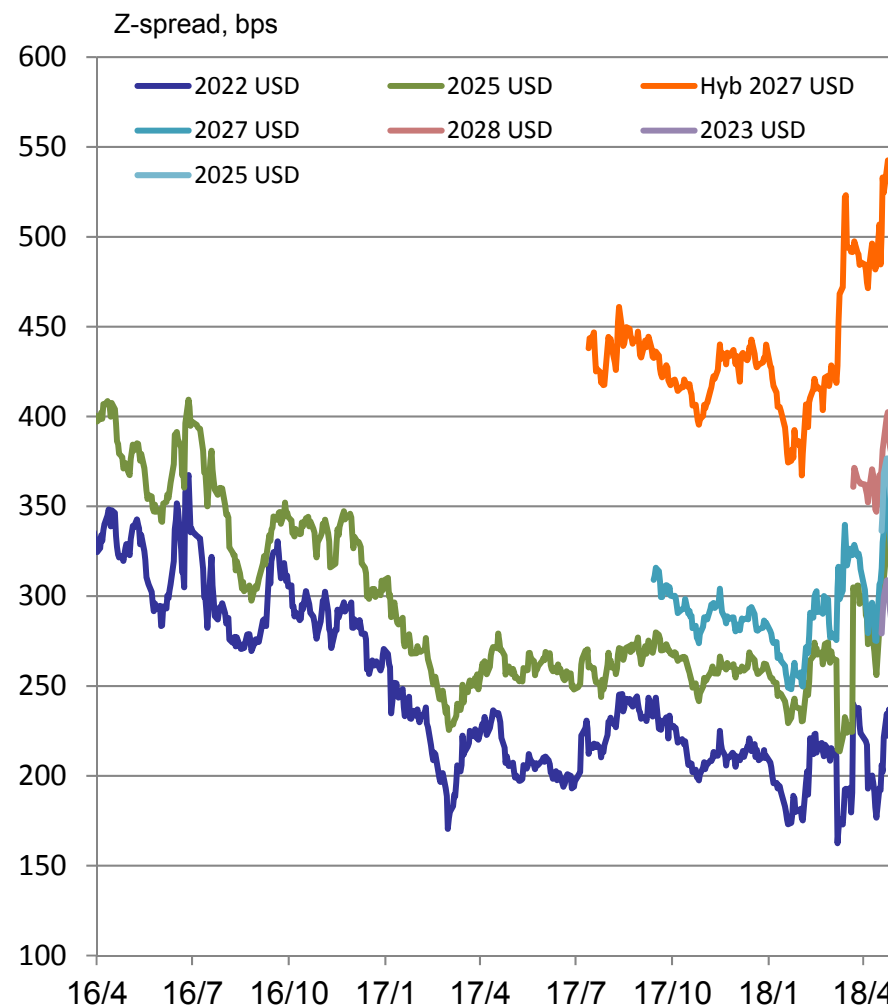
# SBG: Price and Spread of Foreign Currency Notes

SBG executed consent solicitation/exchange offer in March and issued new notes in April.

## Price (USD denominated notes)



## Spread (USD denominated notes)

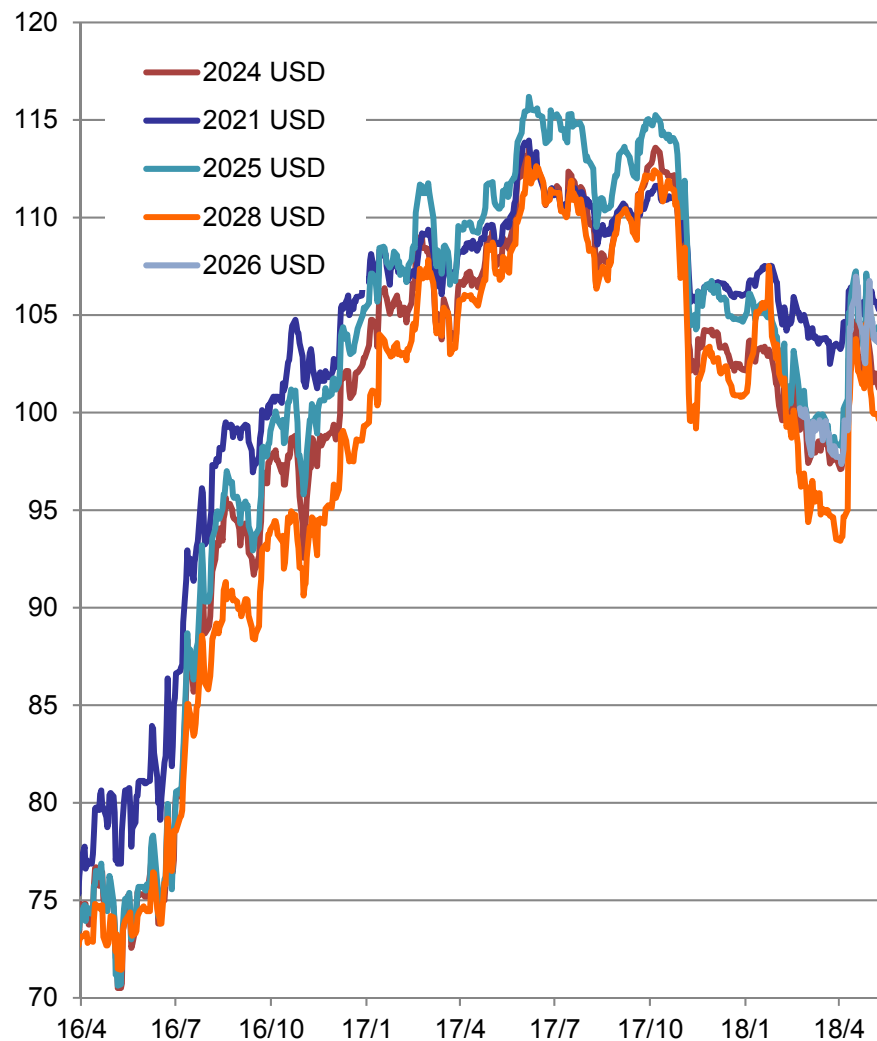


\*1 Prepared by SBG based on Bloomberg data. As of May 9, 2018.

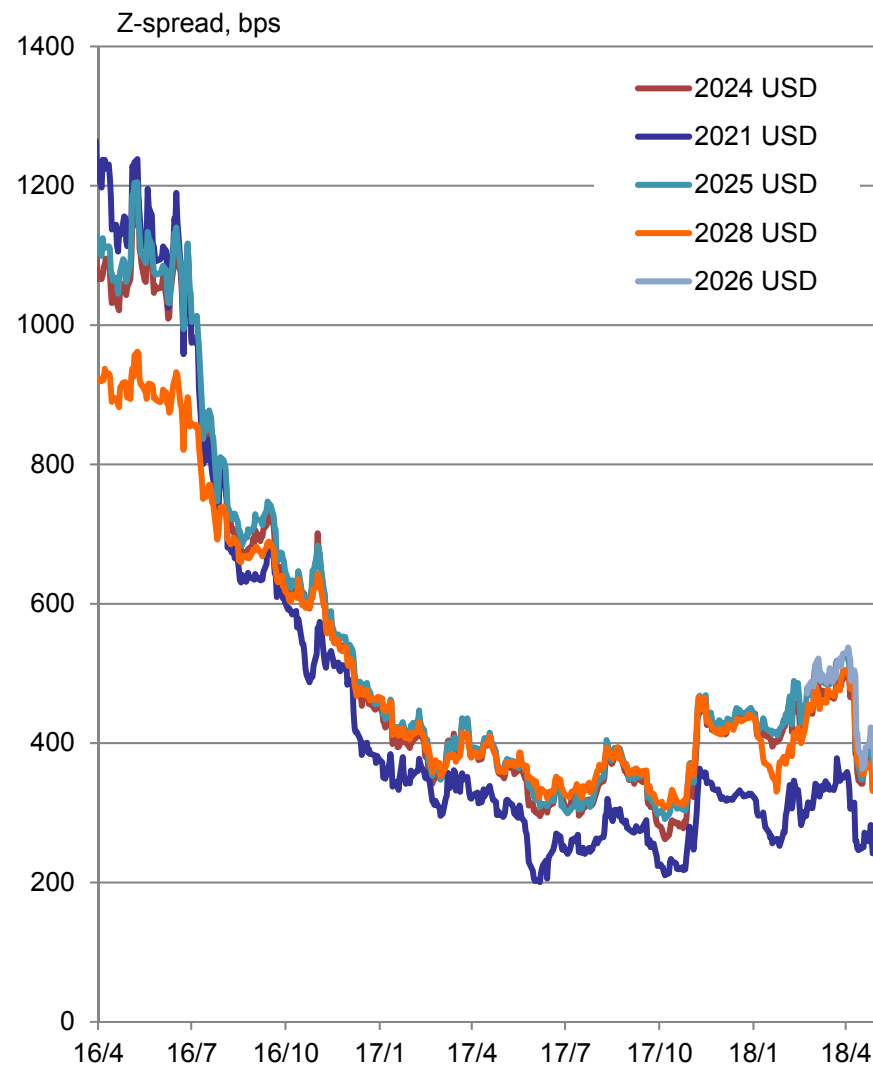
\*2 Maturity years for on Hybrid notes refer to the first call year.

# Sprint: Price and Spread

## Sprint senior notes price



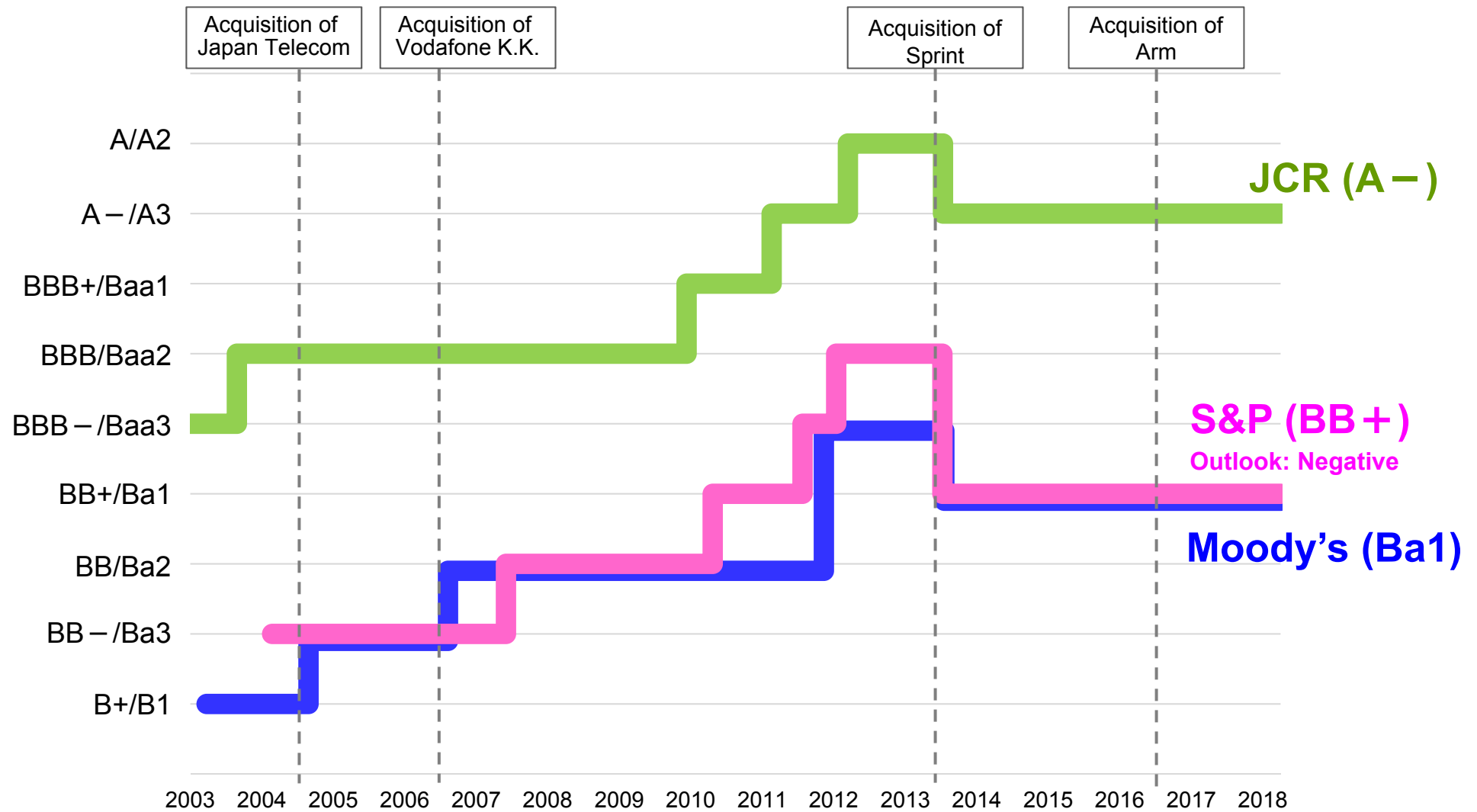
## Sprint senior notes spread



\*1 Prepared by SBG based on Bloomberg data. As of May 9, 2018.

\*2 All notes were issued by Sprint Corporation, except for 2028 USD Notes that were issued by Sprint Capital Corporation.

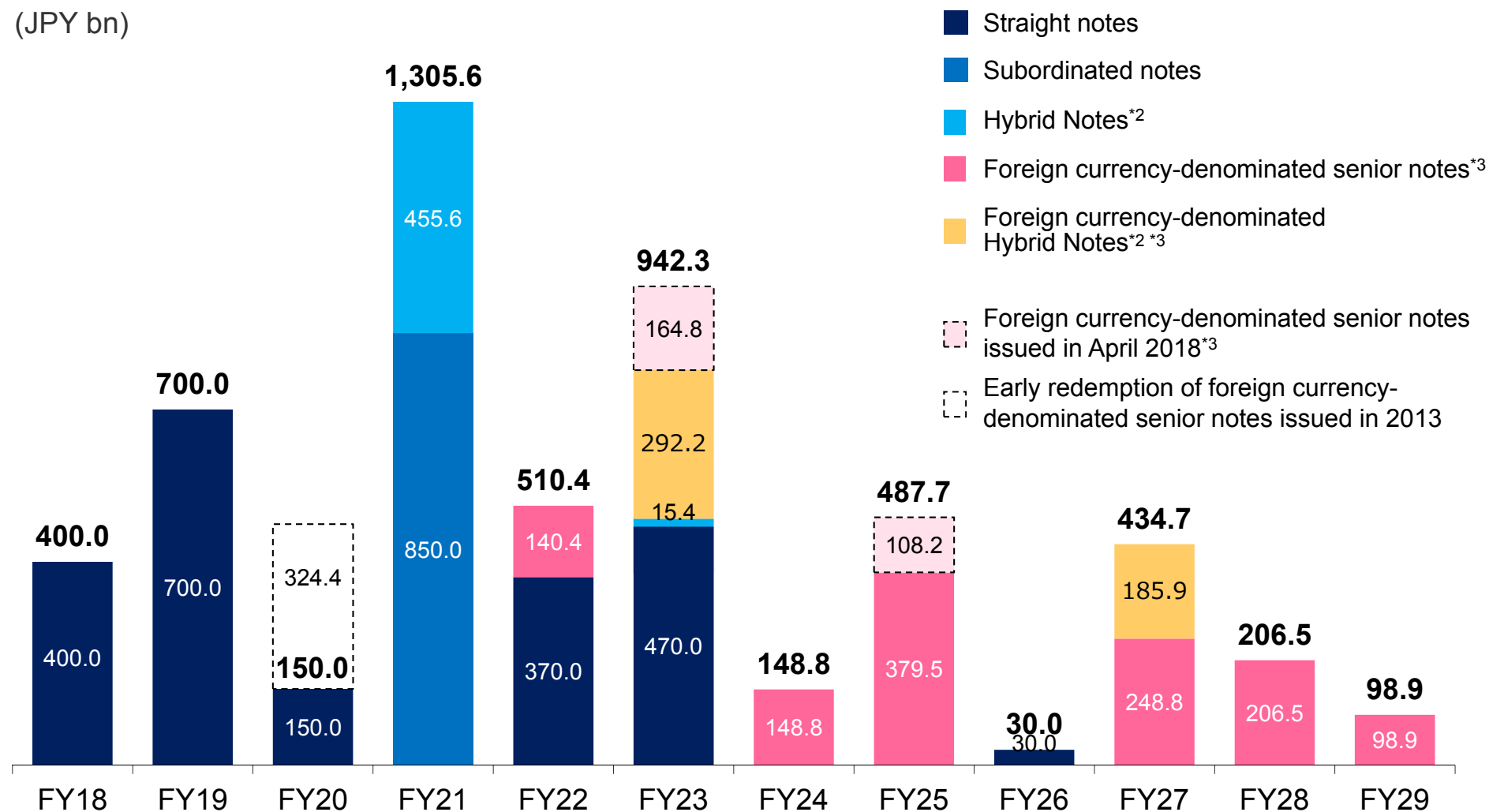
# SBG Credit Rating Trend



\*Calendar year

# SBG Bond Redemption Schedule

(JPY bn)



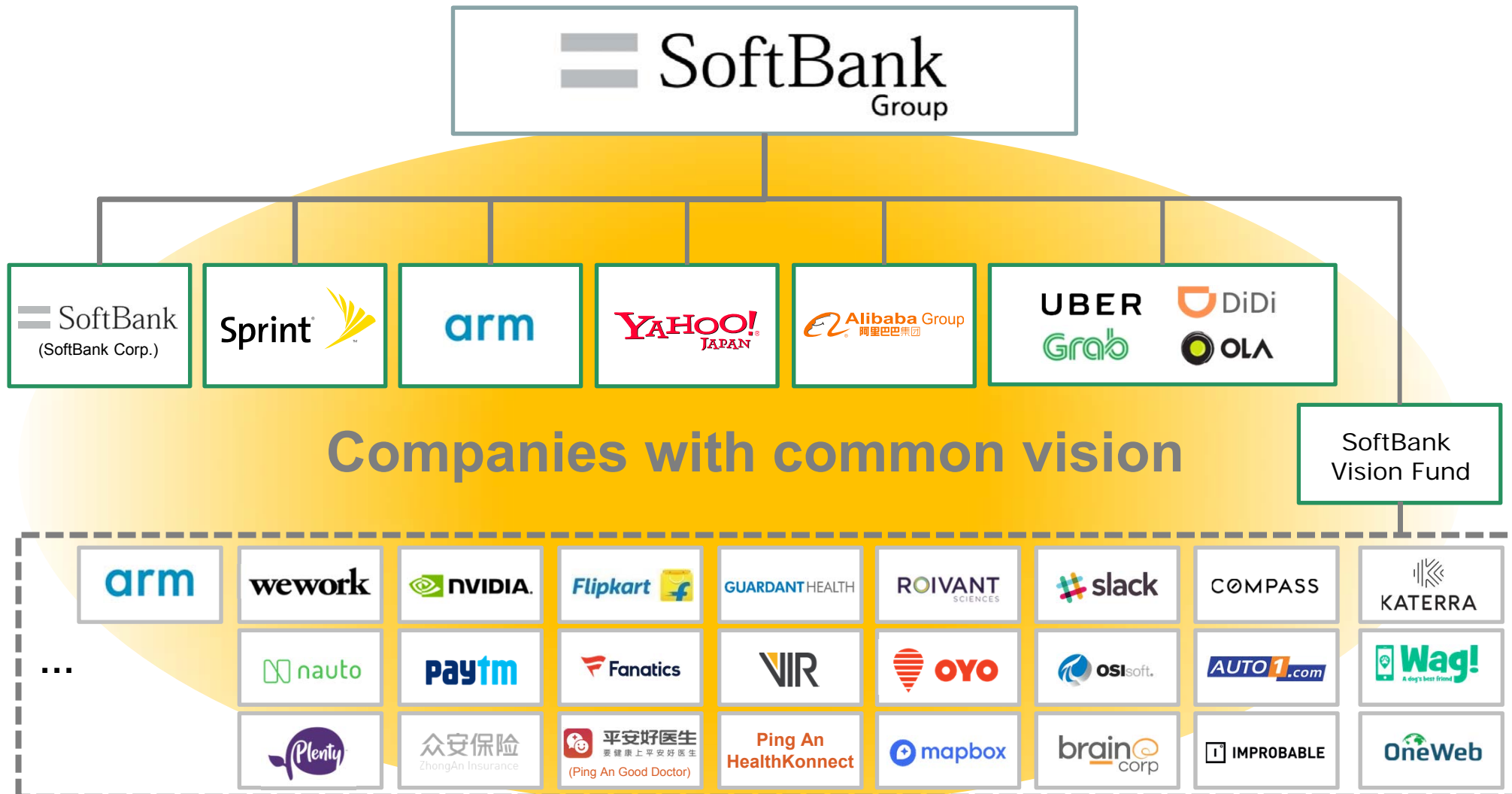
\*1. In addition to the balance as of March 31, 2018, the transactions below are reflected.  
 - the exchange offer closed in March 2018 and the ensuing bond issuance and bond retirement by purchase (both executed in April 2018).  
 - foreign currency-denominated senior notes issued in April 2018, and early redemption of the foreign currency-denominated senior notes issued in 2013 (to be executed on May 21st, 2018).

\*2. Prepared on the assumption that Hybrid Bonds are redeemed on the first call dates.

\*3. The contracted exchange rate is used for where swap contract is applicable. Otherwise, USD 1 = JPY 106.24 (as of March 31, 2018).

# For Strategic Investments

**SB Group: Companies sharing common vision**  
**Telecom-centric → Strategic investment-centric**



\* Investment in OneWeb has not yet closed into SoftBank Vision Fund as of the date of this presentation.

## Investment asset value becomes a key for our credit

### Telecom business

### Strategic holding company

#### Financial evaluation

- Consolidated EBITDA
- Consolidated FCF

- Investment asset value
- Investment income (dividend and divestment)

#### Financial KPI

- Net debt / EBITDA

- Loan to value (Net debt / investment asset value)
- Interest coverage ratio (dividend received / interest paid)

## Our Aim

- Pursue optimal leverage as a strategic holding company
- Well-protected financial management to be invulnerable for any environmental change

## Safety design (Stock)

- Leverage index: Manage LTV lower than 35%
- Cash position: Maintain a liquidity level that covers redemptions for at least the coming 2 years

## Safety design (Flow)

- Secure a continuous flow of dividend income
- Focus on the balance among return on investment, new investment, and debt repayment
- Proactively utilize non-recourse, asset-backed finance

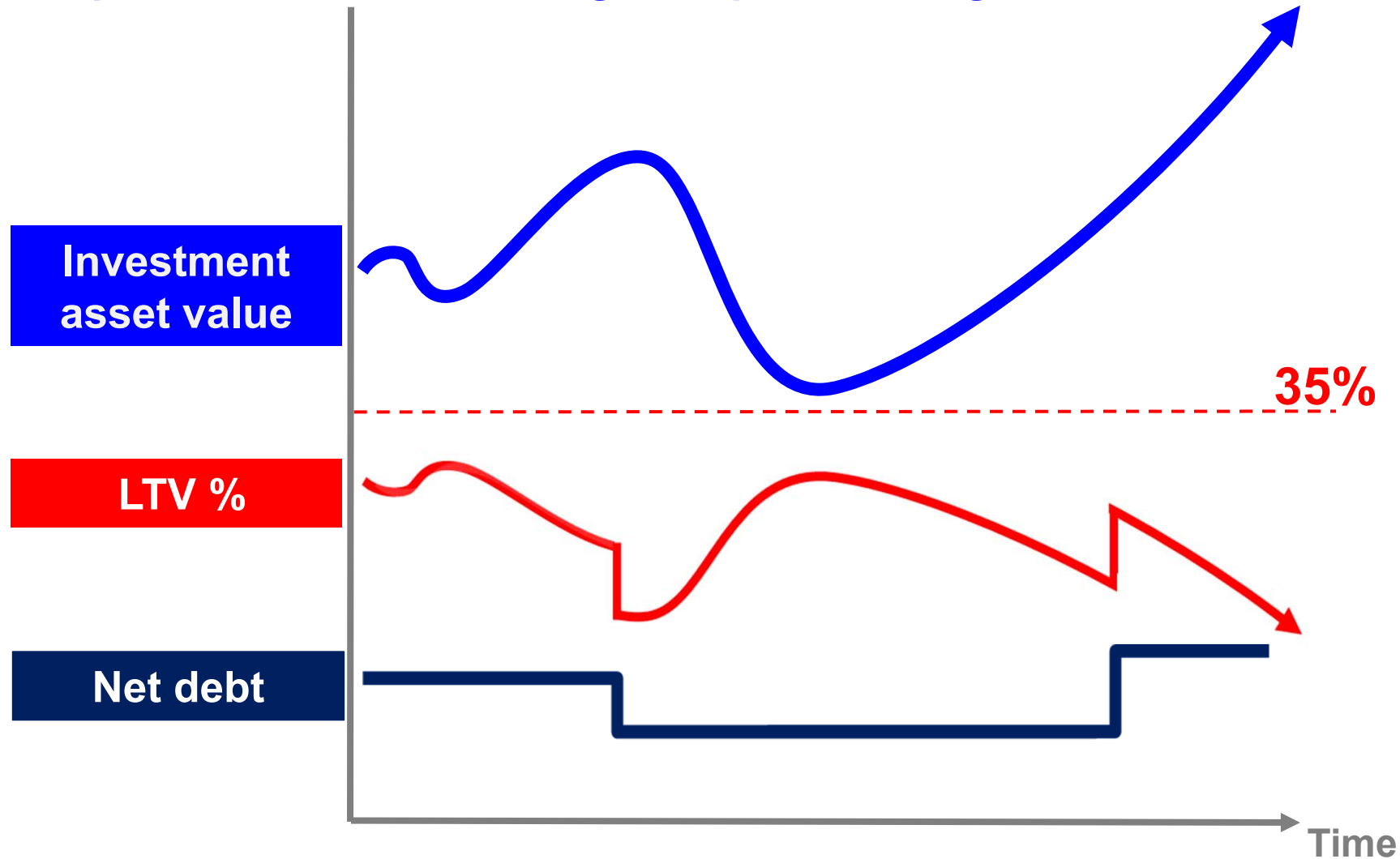
## Relationship with stakeholders

- Increase transparency of investment asset value with enhanced disclosure regarding SoftBank Vision Fund
- Share the Group finance strategy after the listing of SoftBank Corp.
- Focus credit rating to secure financing optionality

**Consistently secure various financing options**

# Expected Financial Management (illustrative)

Maximize enterprise value while maintaining optimal leverage through appropriate LTV management  
Improve LTV for mid to long term period along with investment asset value





**(Reference)**

# Result of USD/EUR Notes Restructuring (detail)

The covenants on 2015 Notes<sup>\*1</sup> were amended and now align with 2017 Notes<sup>\*2</sup>.  
 Approx. 81% of consents (incl. deemed consent via exchange offer) was provided to amend the covenants on 2015 Notes.

2015 Notes			
5.375%	2022	USD 1,000 mn	USD 2,000 mn
6.000%	2025	USD 1,000 mn	
4.000%	2022	EUR 500 mn	EUR 2,250 mn
4.750%	2025	EUR 1,250 mn	
5.250%	2027	EUR 500 mn	

2013 Notes <sup>*3</sup>		
4.500%	2020	USD 2,485 mn
4.625%	2020	EUR 625 mn

## Consent solicitation

2015 Notes amended			
5.375%	2022	USD 819 mn	USD 1,530 mn
6.000%	2025	USD 712 mn	
4.000%	2022	EUR 287 mn	EUR 1,186 mn
4.750%	2025	EUR 689 mn	
5.250%	2027	EUR 211 mn	

## Exchange offer

2018 Exchange Notes		
6.250%	2028	USD 500 mn
5.000%	2028	EUR 1,174 mn

**Early redemption on May 21**

## New notes offering

2018 Notes <sup>*4</sup>			
5.500%	2023	USD 300 mn	USD 750 mn
6.125%	2025	USD 450 mn	
4.000%	2023	EUR 1,000 mn	EUR 1,450 mn
4.500%	2025	EUR 450 mn	

**+ cash on hands**

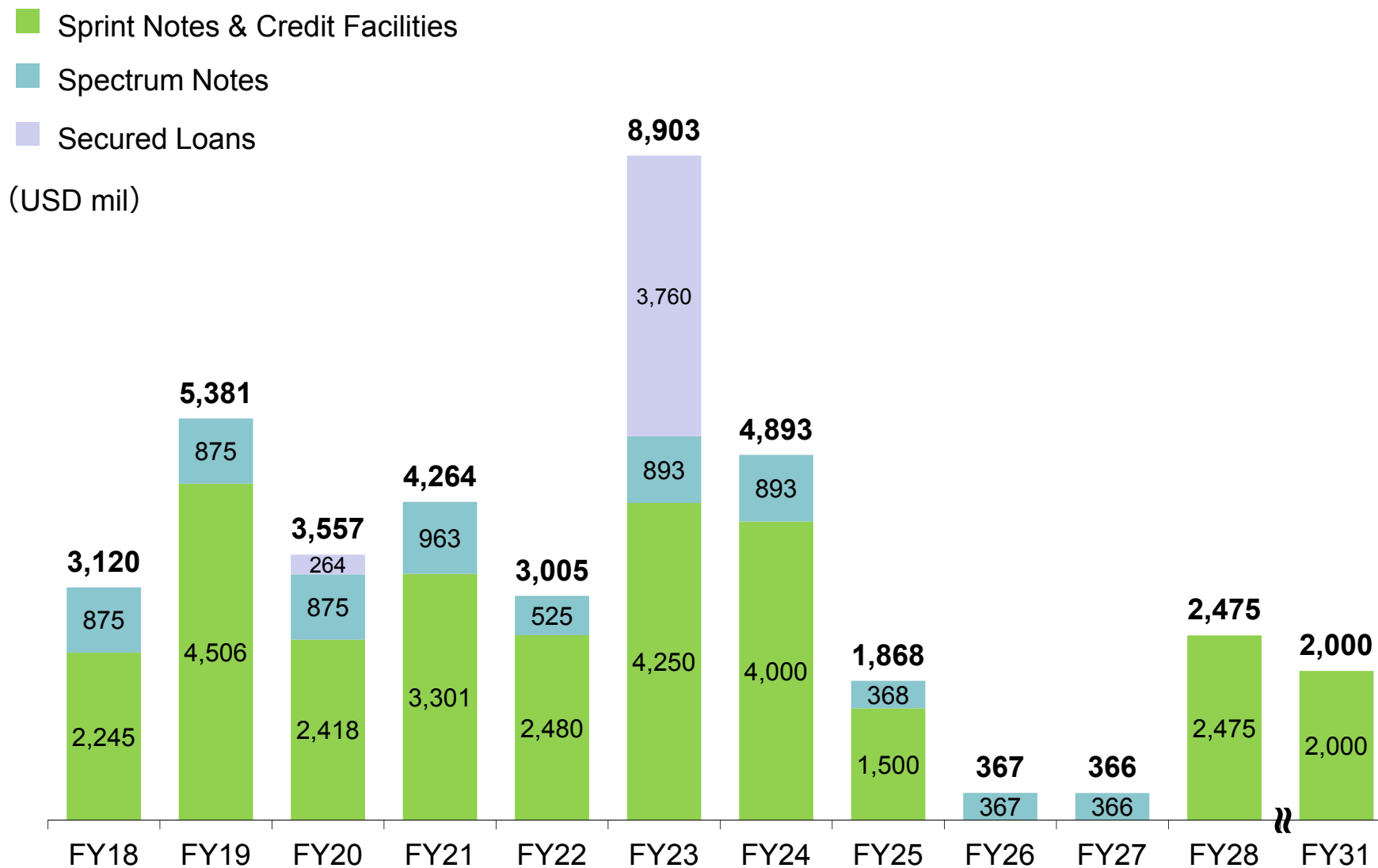
\*1 Foreign currency-denominated senior notes issued in 2015.

\*2 Foreign currency-denominated senior notes issued in 2017.

\*3 Foreign currency-denominated senior notes issued in 2013.

\*4 Foreign currency-denominated senior notes issued in 2018.

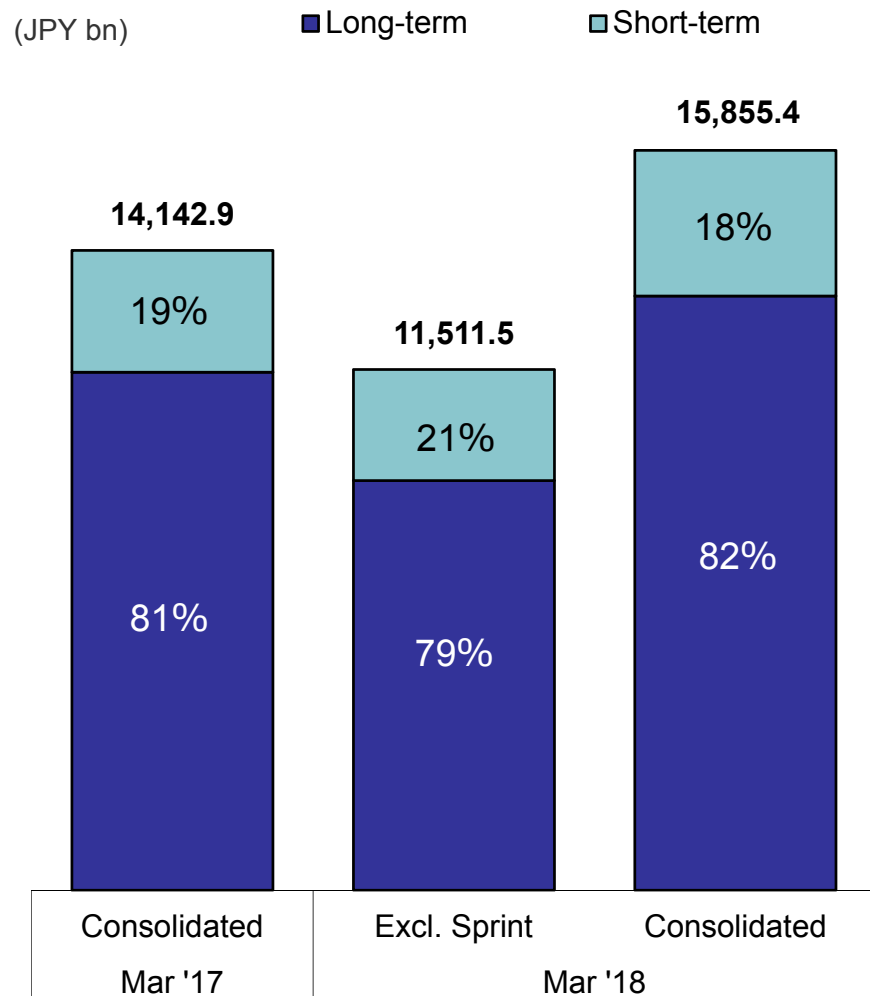
# Sprint Debt Maturities



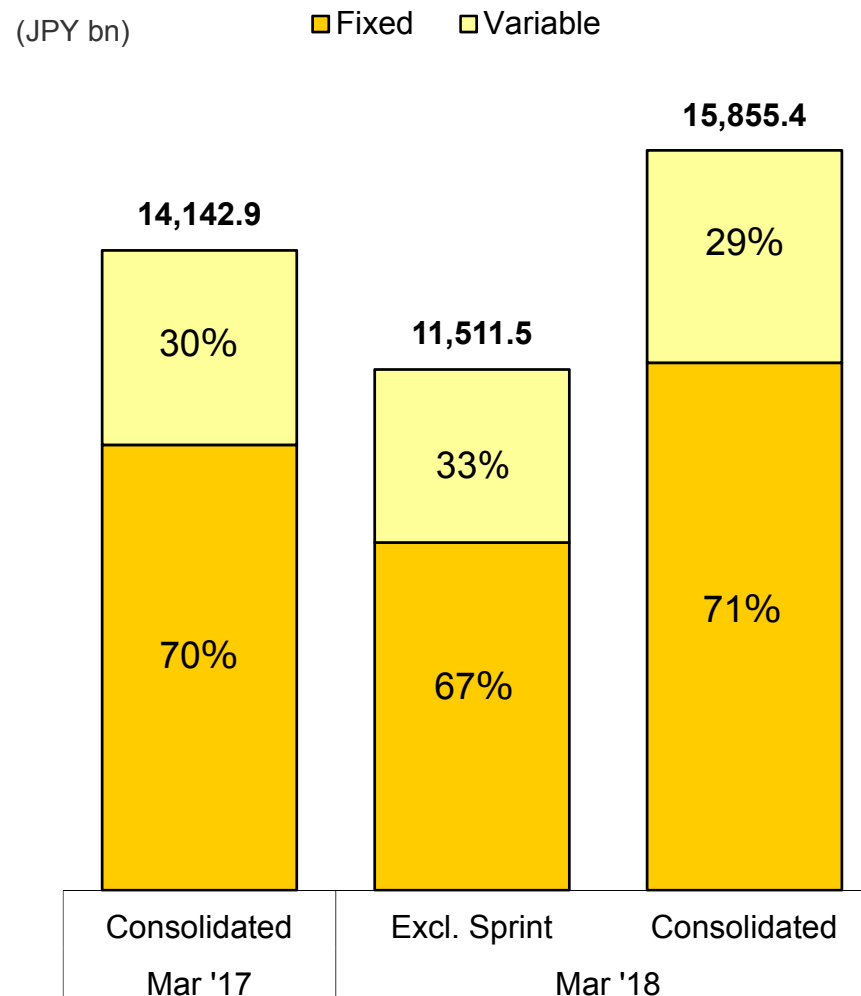
\*1 The balance as of March 31, 2018.

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

## Interest-bearing debt: Long / short ratio



## Interest-bearing debt: Fixed / variable ratio

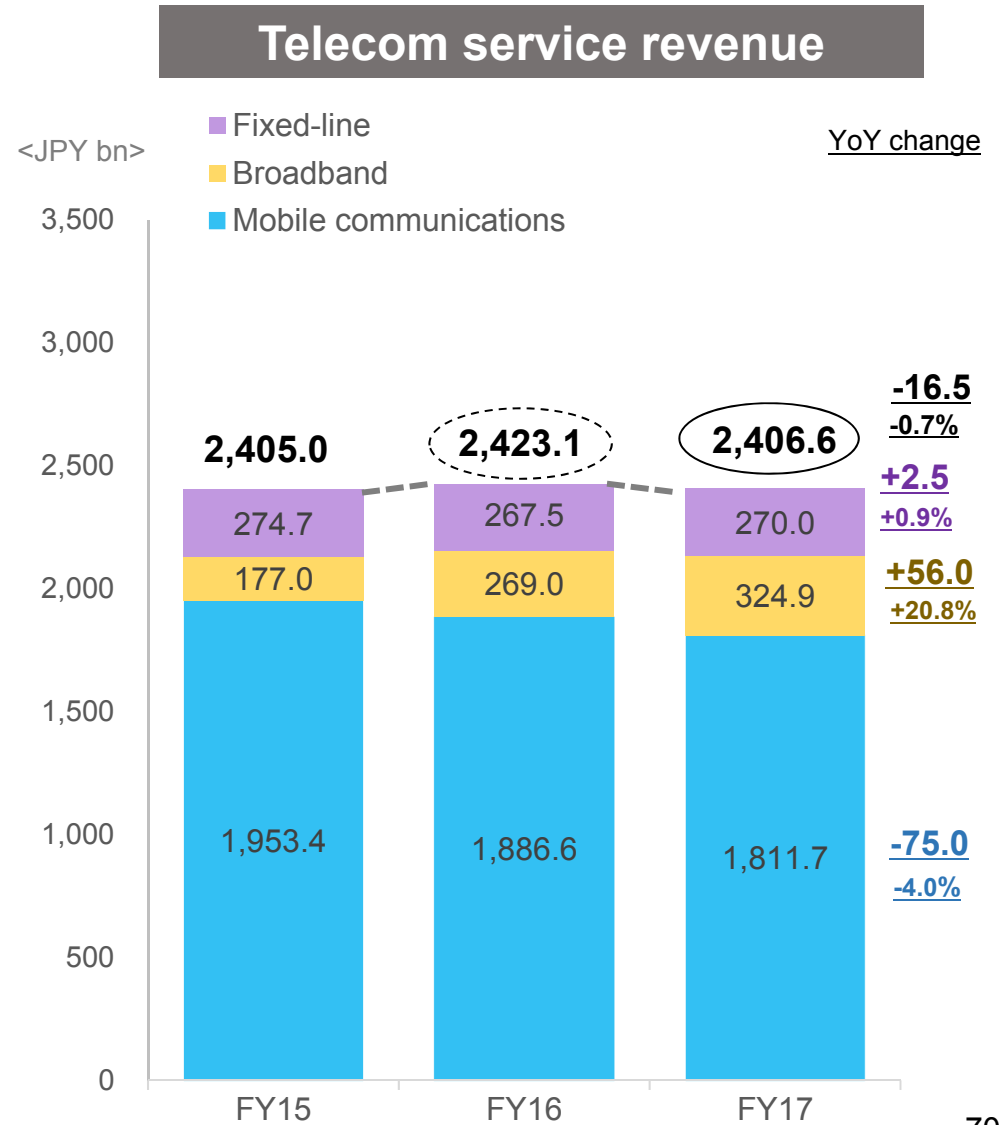
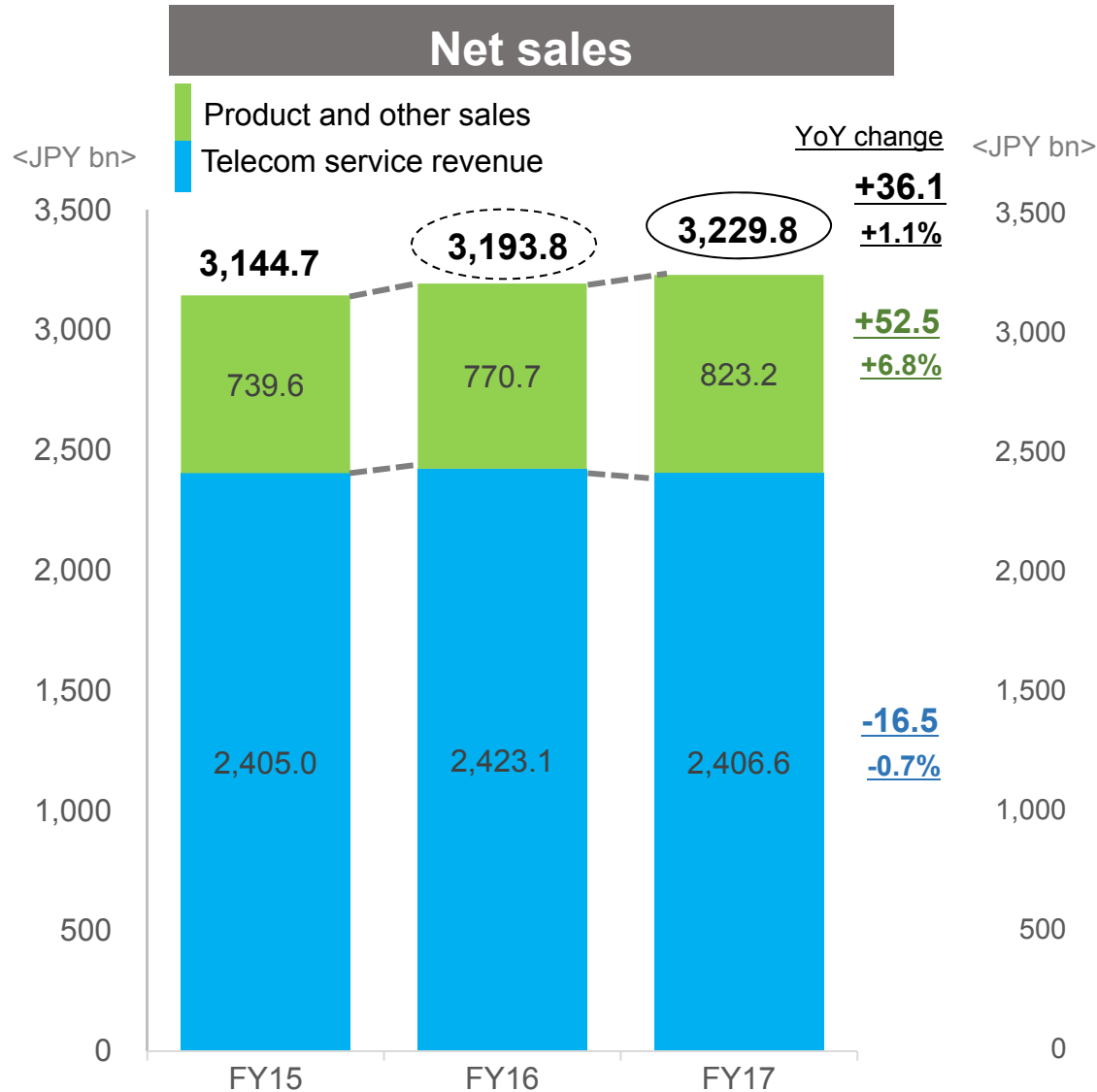


\*Financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares, interest-bearing debt at SoftBank Vision Fund and Delta Fund and deposit for banking business at The Japan Net Bank are deducted from the interest-bearing debt.

# **Domestic Telecommunications**

# 1. Net Sales

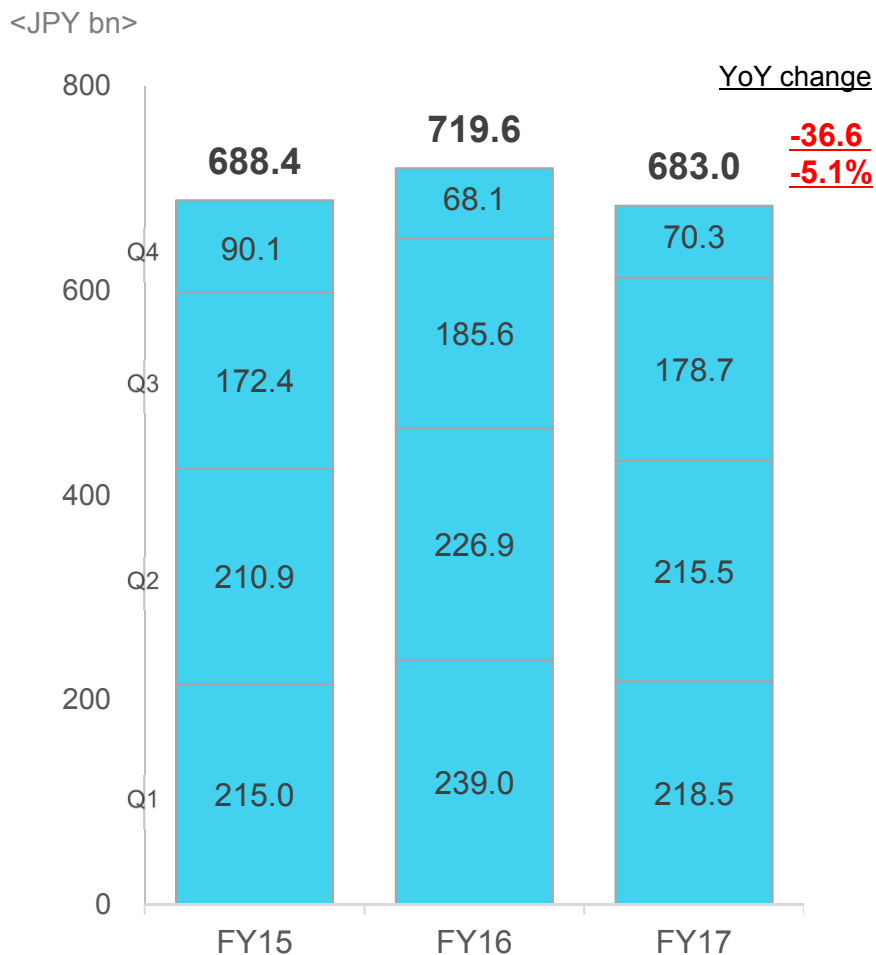
- FY17 sales of JPY 3.2 tn, up JPY 36.1 bn YoY:  
telecom service revenue down JPY 16.5 bn, product and other sales up JPY 52.5 bn.
- Broadband revenue grew steadily, up JPY 56.0 bn YoY.



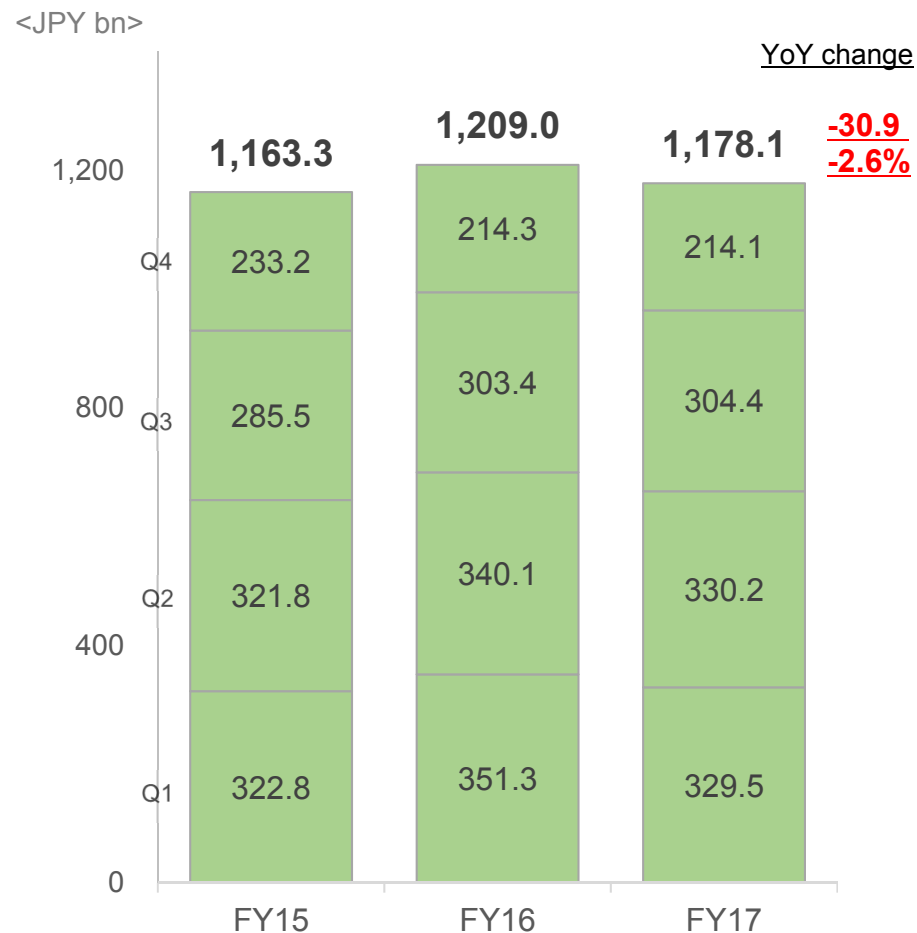
# 2. Operating Income/Adjusted EBITDA

➤ FY17 segment income of JPY 683.0 bn, down JPY 36.6 bn (-5.1%) YoY.

### Operating Income



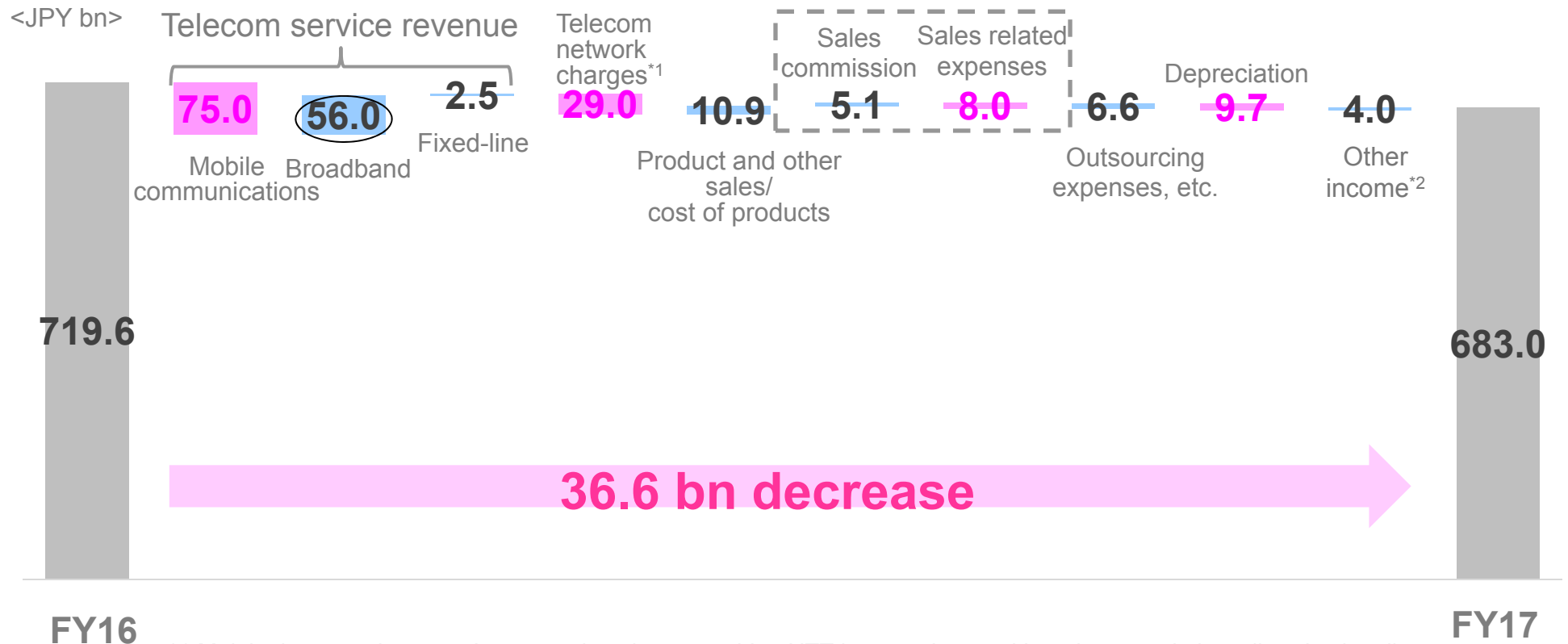
### Adjusted EBITDA



\*Adjusted EBITDA = segment income (loss) + depreciation and amortization ± other adjustments

# 3. Segment Income YoY Analysis

- Broadband business drove topline growth.
- Mobile communications revenues decreased due to an increase in discount of *Home Bundle Discount Hikari Set*, a decrease in MBB by introduction of *Ultra Giga Monster, Half Price Support for iPhone/Android*, upfront investment such as collaboration with Yahoo! Japan, network reform, and a decrease in PHS.



\*1 Mainly due to an increase in connection charges paid to NTT in accordance with an increase in broadband subscribers.

\*2 Gain on derecognition of accrual in relation to spectrum migration costs.

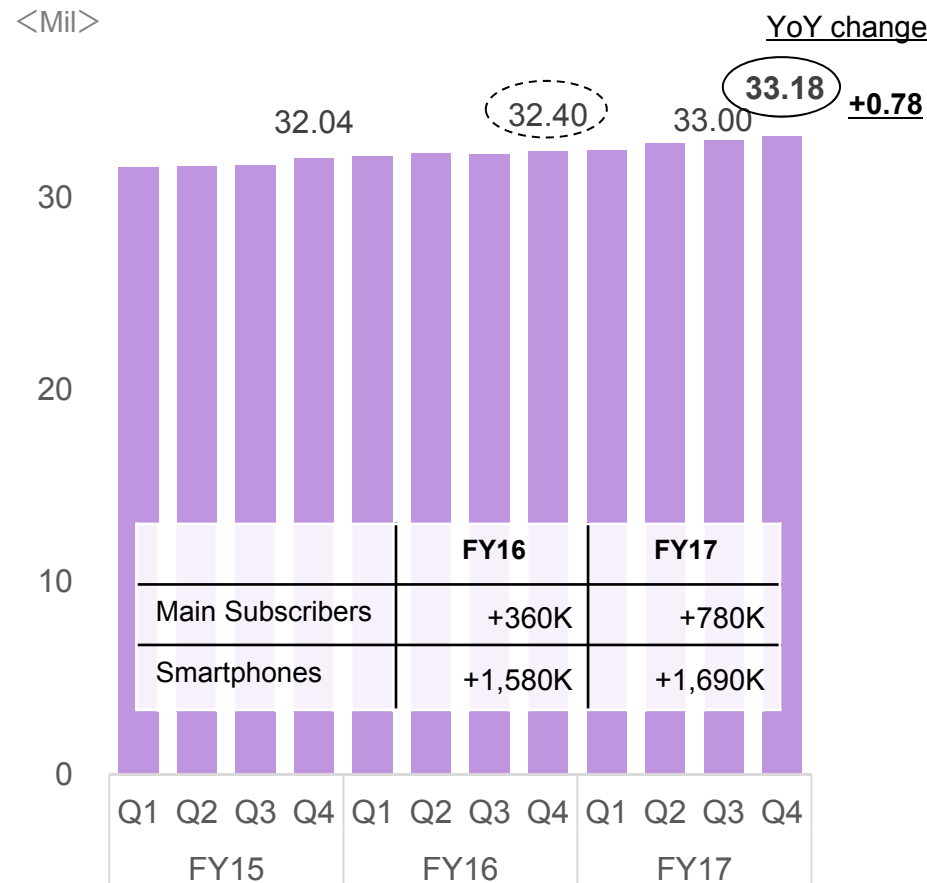


# 4. Mobile Communications

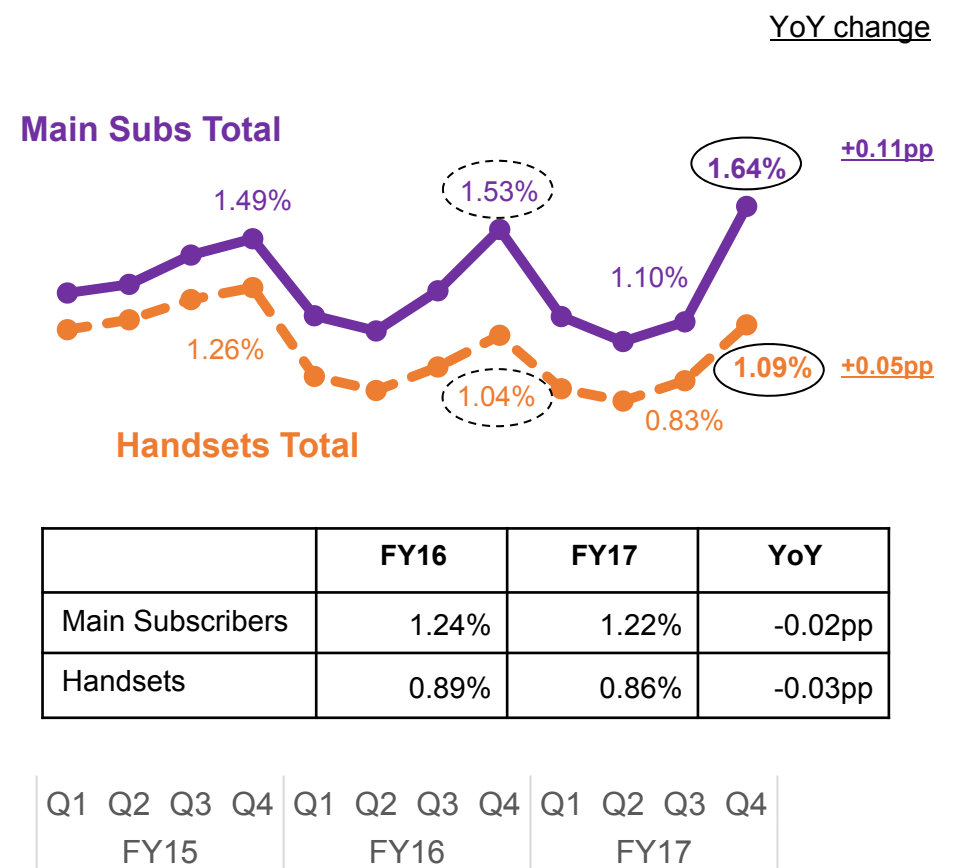
## Subscribers and Churn Rate (main subscribers)

- Subscribers: increased 780K YoY, with smartphone net adds 1,690K for FY17.
- Churn rate: FY17 churn rate improved YOY by 0.02pp for main subscribers and by 0.03pp for handsets.  
FY17Q4 churn rate deteriorated YoY by 0.11pp for main subscribers and by 0.05pp for handsets, due to an impact of shutdown of 3G services on 1.7GHz shutdown.

### Cumulative subscribers



### Churn rate

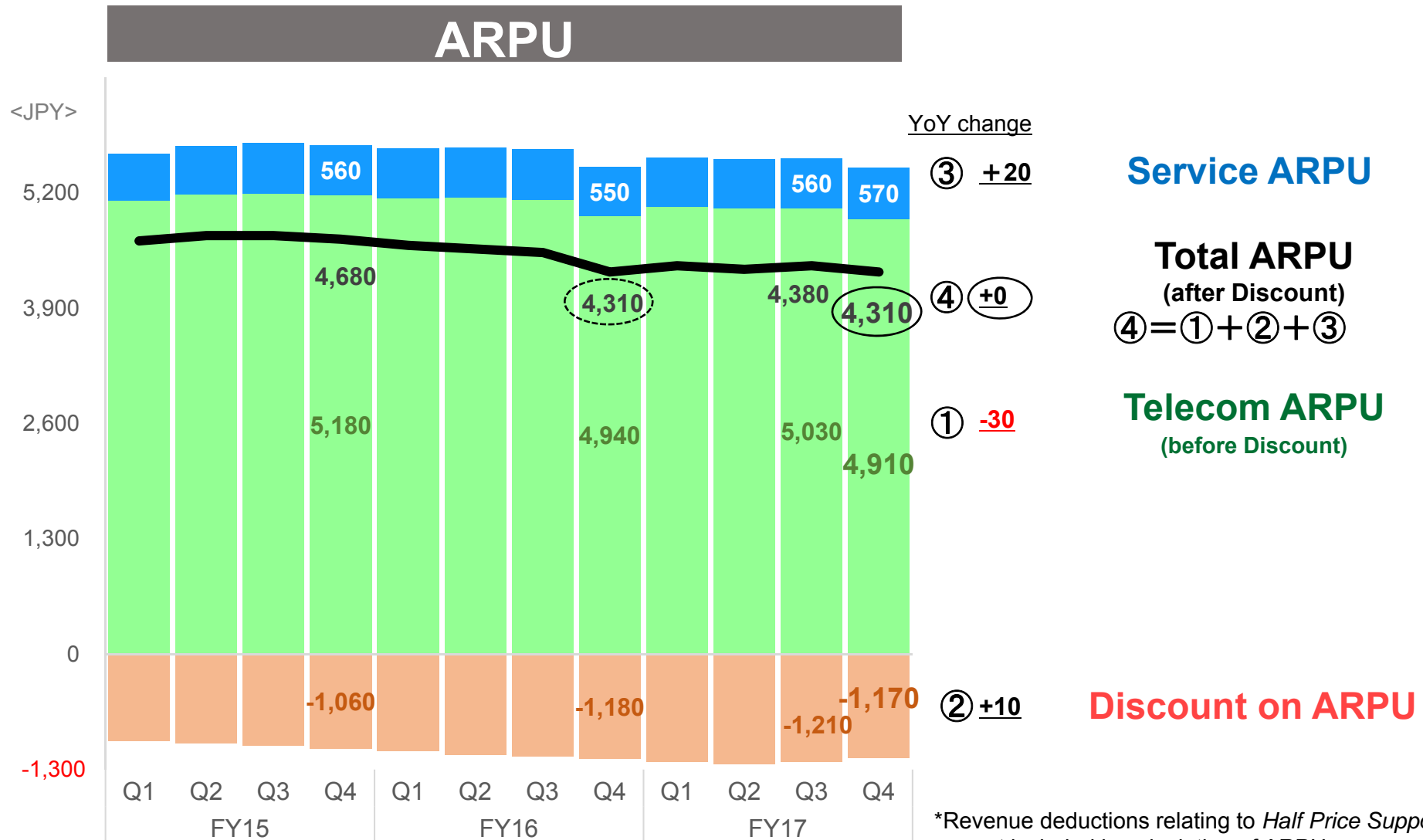


\* FY17-end cumulative subs include 265K *Wireless Home Phone* subscribers.

\* See page 82 for definitions of main subscribers and churn rate.

# 5. ARPU (main subscribers)

- YoY JPY +0 in Q4: Positive impact from retroactive adjustment of access charge offset adverse impact from higher mix of *Y!mobile* smartphones
- Service ARPU and Discount on ARPU improved YoY

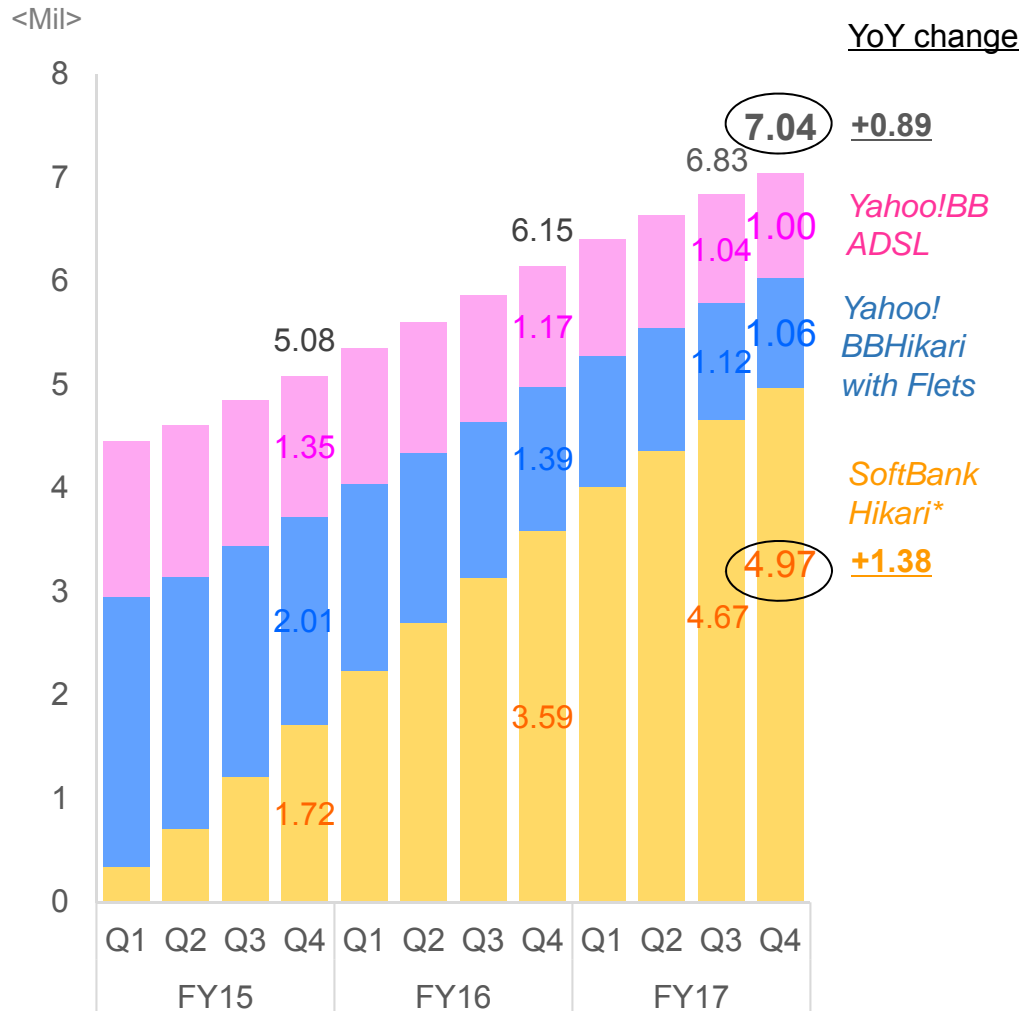


\*Revenue deductions relating to *Half Price Support* are not included in calculation of ARPU.

# 6. Broadband

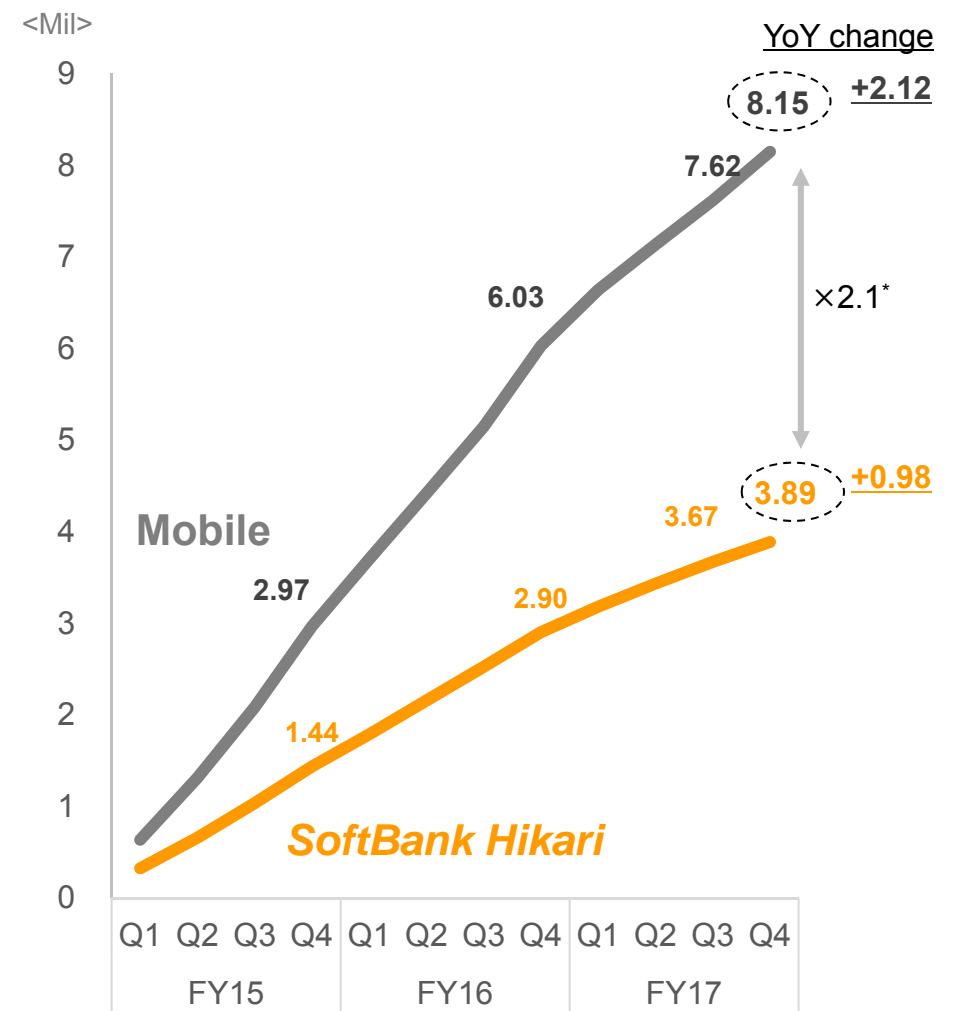
- 4.97mil *SoftBank Hikari* at FY17-end; steady growth of customer acquisition.
- 8.15mil subscribers under *Home Bundle Discount Hikari Set*, a significant increase.

**Cumulative subscribers  
(number of connected lines)**



\*SoftBank Hikari includes SoftBank Air

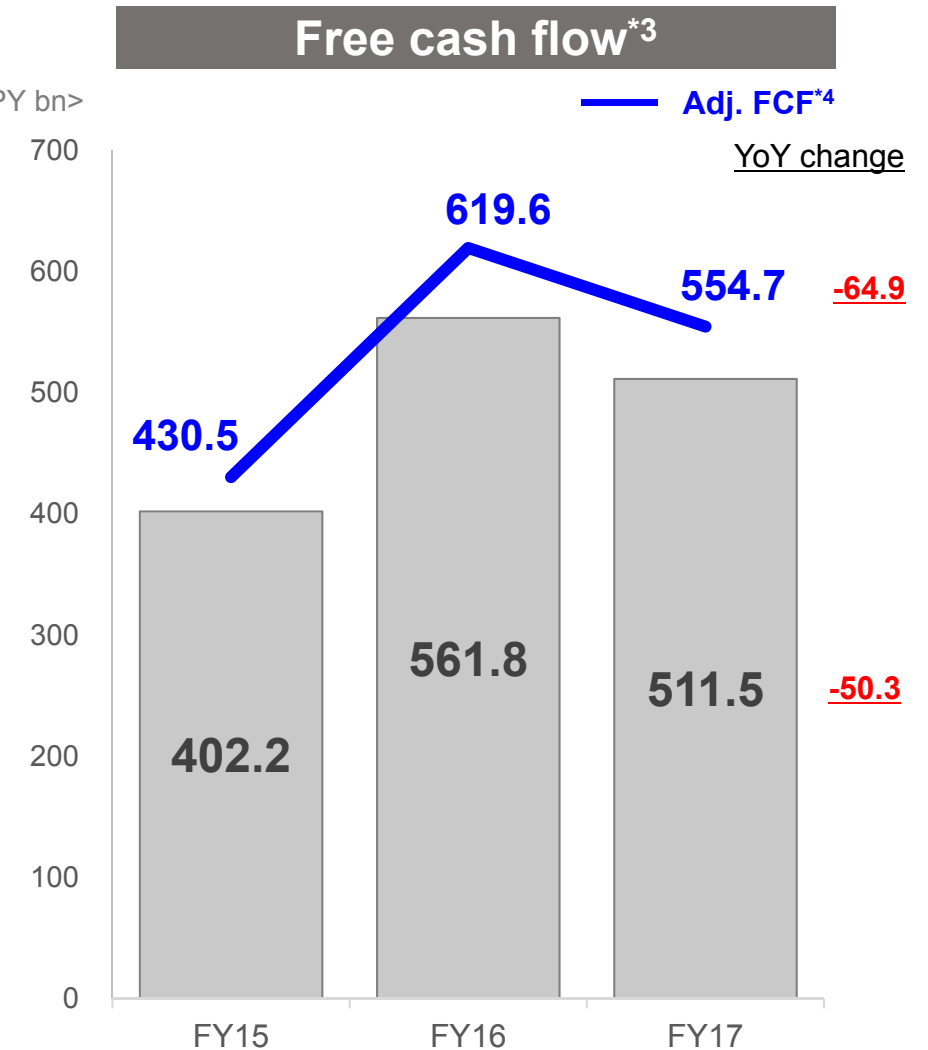
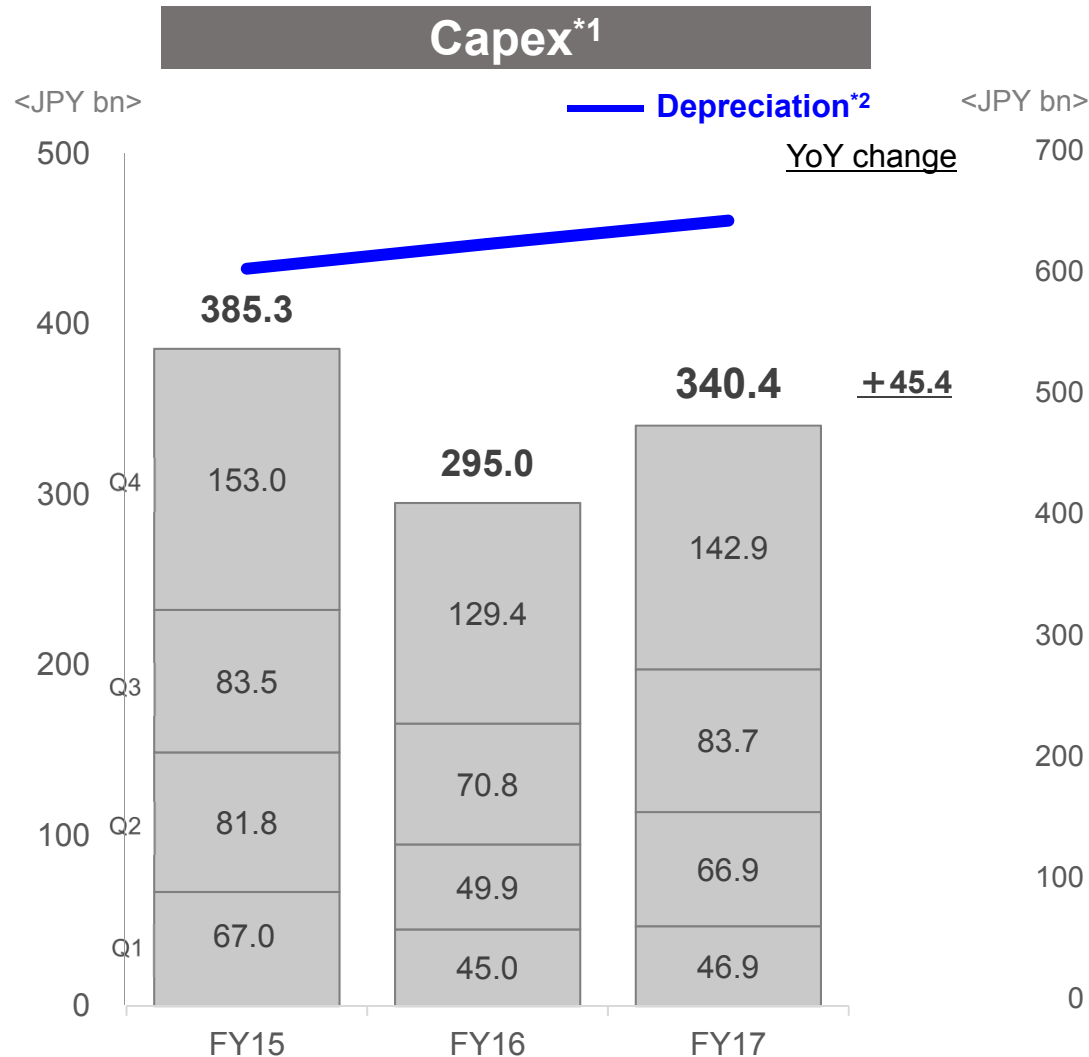
**Home Bundle Discount Hikari Set  
cumulative subscribers**



\* Mobile lines under bundled discount per *SoftBank Hikari* line 75

# 7. Capex / Free Cash Flow

- FY17 Capex of JPY 340.4 bn, focusing on the expansion of service areas and improvement in LTE network quality.
- FY17 FCF was JPY 511.5 bn; adjusted FCF was JPY 554.7 bn.



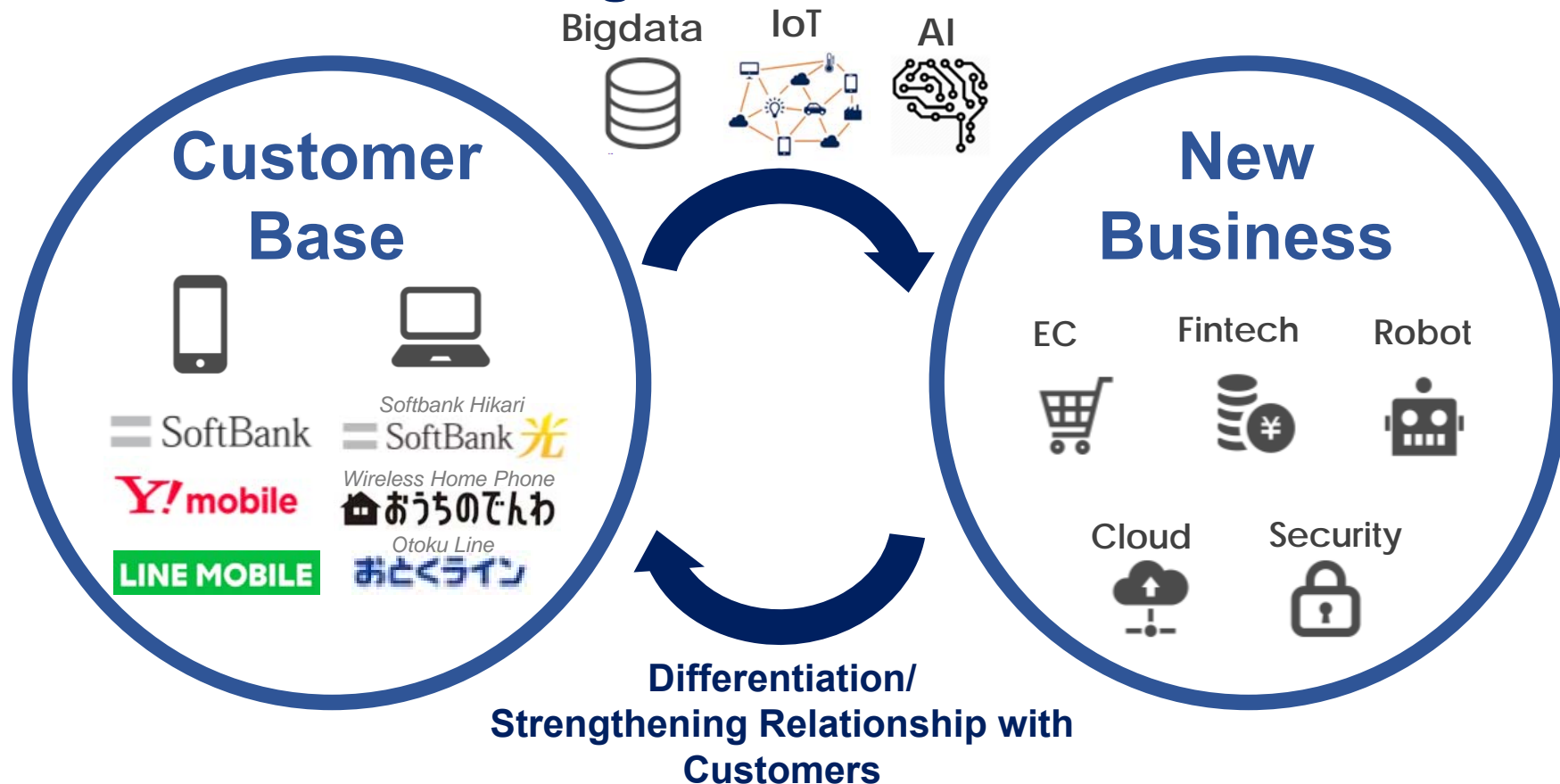
\*1 Capex: Acceptance basis. Excludes capex of rental handsets.  
 \*2 Depreciation: Includes disposal. Excludes depreciation of rental handsets and amortization of customer relationships.

\*3 Excludes intercompany transactions between SBG and SoftBank  
 \*4 Adj. FCF = FCF + proceeds from securitization of installment receivables – repayment of the borrowings made through securitization of receivables.76

# 8. Growth Strategy

## “Beyond Carrier”

### Utilizing Advanced Intellect



# 9. Discovering Further Growth Opportunities



## Deploy cutting-edge business models to Japan

Certain "SoftBank Vision Fund" investments described herein have not yet been acquired by SVF and are subject to pending regulatory approvals. The investments described herein represent a subset of the investments that have been acquired or will be acquired by SVF. This list does not purport to be a complete list of investments. There can be no assurance that any pending acquisition will be consummated at all or on the current terms of the agreement. The future operating plans described above are based on the beliefs of SB Investment Advisers at this time and nothing contained herein should be relied upon as a promise or representation as to future operating plans of SVF and its portfolio companies and/or SoftBank. All such operating plans are subject to the requirements and limitations of the relevant offering documents and/or governing agreements, including all notice and consent requirements, as applicable. Accordingly, there can be no assurance that the operating plans and models described herein will be implemented and actual results may be significantly different.

(Note) Investment in OneWeb has not yet closed into SVF as of the date of this presentation. Ping An HealthKconnect also uses the name Ping An Healthcare Technology

# 10. New Business ~Examples~

## Collaboration with DiDi

SoftBank <sup>KK</sup>  
Domestic Telco



**DiDi**  
AI demand  
forecast technology

---



**SoftBank <sup>KK</sup>**  
Expand business/  
utilize customer relations



**Taxi industry**



**Enhance  
efficiency**

**Proposal to establish JV company by 2018**

(Note) Investments in DiDi are held by SB Delta Fund (Jersey) L.P. and other subsidiaries of SoftBank Group Corp. ("SBG") outside the SoftBank Vision Fund. (Note) This page is based on the press release announced on February 9, 2018.

## Collaboration with Plenty

SoftBank <sup>KK</sup>  
Domestic Telco



**Japan deployment  
in progress**



(Note) This page is created based on the content of an article already issued by Reuters on January 17, 2018, and Plenty's stance to expand its business internationally.

## Collaboration with WeWork

SoftBank <sup>KK</sup>  
Domestic Telco



**2 new offices planned to open soon**

(Note) This page is based on the information already announced on WeWork's website.

\*Photos of Shimbashi, GINZA SIX, Iceberg (Jingumae, Harajuku), Hibiya Park Front are for illustrative purposes. Photo credits: WeWork

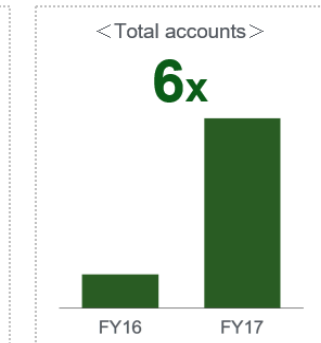
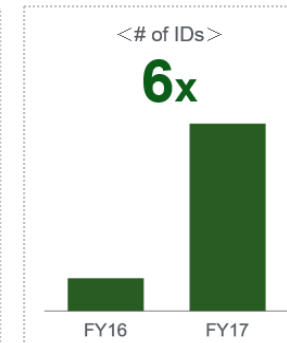
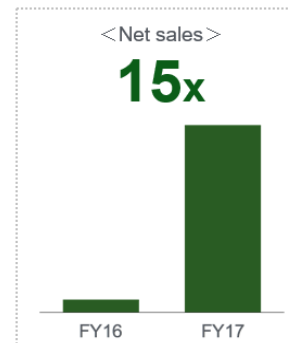
## Other Collaborations

SoftBank <sup>KK</sup>  
Domestic Telco

**SB Cloud**  
(JV with Alibaba)

**cybereason**  
(JV)

**One Tap BUY**



(Note) Investments from SoftBank Corp.

# 11. FY2018 Forecast

**1 Increase in revenue / profit**

**2 Generate stabilized FCF (JPY 500bn)\*1**

**3 Promote “Beyond Carrier” strategy & enhance collaboration with SVF**

**4 IPO preparation**

\*1 Including the impact of proceeds from securitization of installment receivables and their repayment.

\*Although the new revenue recognition standard (IFRS15) will be applied from FY2018, the forecast above is based on the revenue recognition standard (IAS18) that is being applied currently.

The impact of applying IFRS15 is now being assessed



# (Reference) Domestic Telecommunications Segment

## Breakdown of Net Sales

&lt;JPY bn&gt;

	FY2016					FY2017				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Total net sales	761.8	792.8	846.1	793.1	<b>3,193.8</b>	755.7	773.3	878.0	823.0	<b>3,229.8</b>
Telecom service revenue	605.8	609.5	613.5	594.3	<b>2,423.1</b>	602.4	601.5	599.2	603.6	<b>2,406.6</b>
Mobile communications	480.1	478.1	476.1	452.4	<b>1,886.6</b>	458.6	454.6	449.0	449.5	<b>1,811.7</b>
Telecom	422.0	420.1	419.3	396.2	<b>1,657.6</b>	402.9	398.1	391.4	390.6	<b>1,583.0</b>
Service	58.1	58.0	56.8	56.1	<b>229.0</b>	55.7	56.5	57.6	58.9	<b>228.7</b>
Broadband	59.2	64.6	70.9	74.2	<b>269.0</b>	77.6	79.8	82.7	84.9	<b>324.9</b>
Fixed-line telecommunications	66.4	66.8	66.5	67.7	<b>267.5</b>	66.2	67.1	67.6	69.1	<b>270.0</b>
Product and other sales	156.0	183.3	232.6	198.8	<b>770.7</b>	153.3	171.8	278.7	219.4	<b>823.2</b>

# Definition and calculation method of principal operational data

## <Mobile Communications Service>

### 1. Subscribers

**Main subscribers:** smartphones, feature phones, tablets, mobile data communications devices, *Wireless Home Phone* and others

\* *Wireless Home Phone* is a new home-phone voice calling service using the mobile network, launched in July 2017

\* Smartphones to which the *Smartphone Family Discount* are applied and mobile data communications devices to which the *Data Card 2-Year Special Discount* are applied are included under communication modules.

\* ARPU and churn rate are calculated and presented excluding revenues or subscribers to the *Wireless Home Phone*.

**Communication modules:** communication modules, *Mimamori Phone*, prepaid mobile phones and others

\*Communication modules that use PHS networks are included in PHS.

**PHS:** 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

Discount on ARPU = monthly discount + broadband service bundle discount (including Home Bundle Discount Hikari Set, Fiber-optic Discount)

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

### 3. Churn rate

**Churn rate:** average monthly churn rate

Churn rate = number of churn / number of active subscribers for the relevant period (rounded to the nearest 0.01%)

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

\* Phone churn rate: churn rate for smartphones and feature phones within main subscribers, including voice SIM subscriptions

### 4. Home Bundle Discount Hikari Set

Home Bundle Discount Hikari Set: a discount on the communication charges of mobile communications services to customers subscribing to bundled packages combining mobile communications services

\* Cumulative applications for the *Home Bundle Discount Hikari Set*: includes subscribers for Fiber-optic Discount applied to the *Y!mobile* brand mobile communications services. Includes that of fiber-optic lines as long as the discount is applied to the associated mobile communications services, even if physical connection of the fiber optic line is not complete at the central office of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (“NTT East”) and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“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



**Q4**  
FY 2017

**RESULTS**

SoftBank Investor Briefing

May 9<sup>th</sup>, 2018

# Cautionary Statement

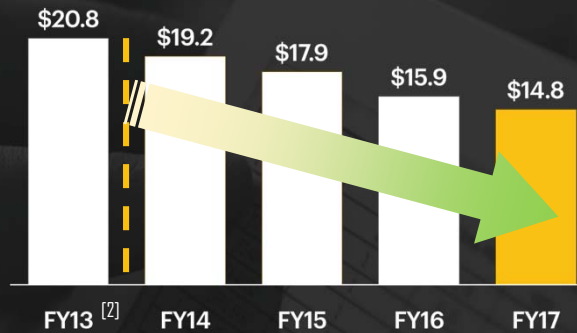
## SAFE HARBOR

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, and, when filed, its Annual Report on Form 10-K for the fiscal year ended March 31, 2018. 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.

# Best Financial Results in Company History

## Operating Expenses (CoS + SG&A) <sup>[1]</sup>

Dollars in Billions

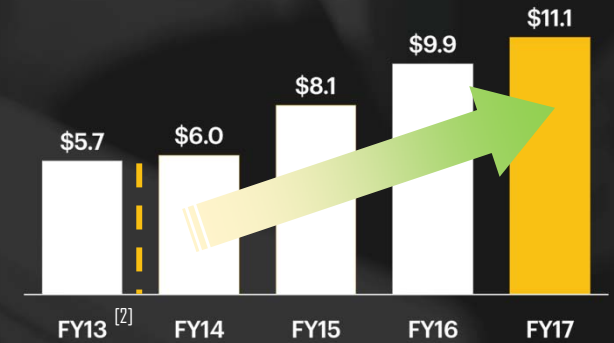


[1] after adjusting for hurricane and other non-recurring charges

Nearly **\$6B** reduction in CoS and SG&A

## Adjusted EBITDA\*

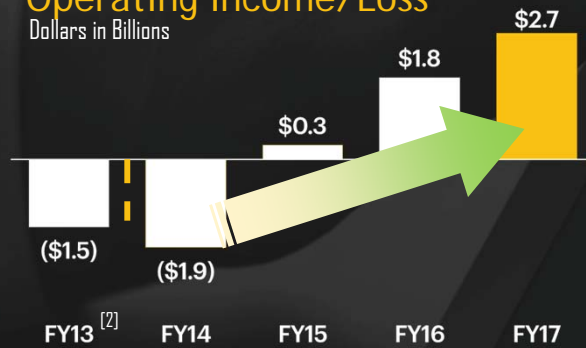
Dollars in Billions



**Highest** in 11 years

## Operating Income/Loss

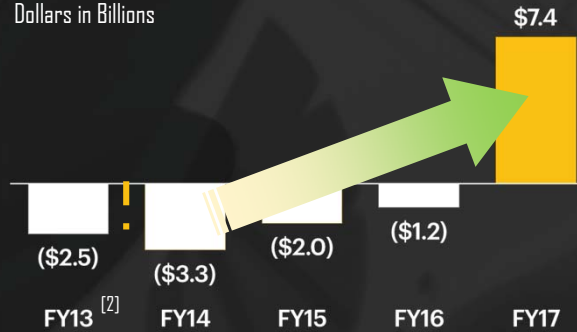
Dollars in Billions



**Highest** in company history

## Net Income/Loss

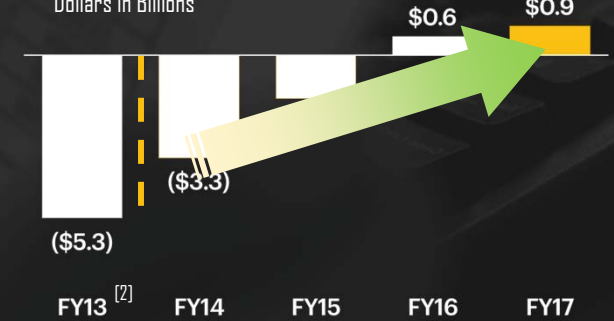
Dollars in Billions



Positive for **1<sup>st</sup>** time in 11 years

## Adjusted Free Cash Flow\*

Dollars in Billions



Positive for **2<sup>nd</sup>** consecutive year

[2] FY13 amounts represent combined financial results for the periods prior and subsequent to the Softbank merger

# Fiscal Year 2017 Highlights

Operating Income



**HIGHEST**

in company history

Adjusted EBITDA\*



**HIGHEST**

in eleven years

Net Income

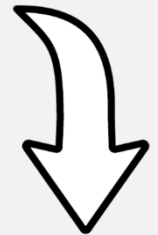
Achieved Net Income  
for the first time in  
eleven years



Transforming  
Cost Structure

**4**

consecutive years of  
more than \$1 billion  
of year-over-year  
reductions<sup>[1]</sup>



[1] after adjusting for hurricane and other non-recurring charges

Adjusted Free  
Cash Flow\*



**POSITIVE**

for the second year in  
a row

Net Additions

**HIGHEST**

Retail Phone Net  
Additions in five  
years



Network

**MOST IMPROVED**

of any national carrier in fiscal 2017 <sup>[2]</sup>

Average  
Download  
Speeds

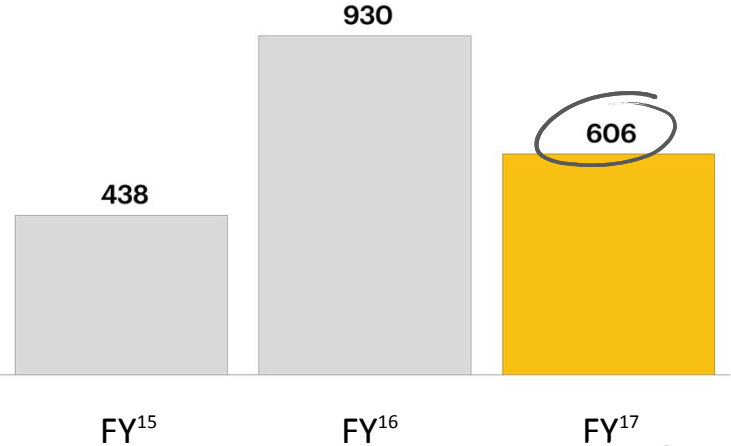
Up  
**36%**  
year-over-year



[2] Ookla's analysis of Speedtest Intelligence data comparing March 2017 to March 2018 for all mobile results

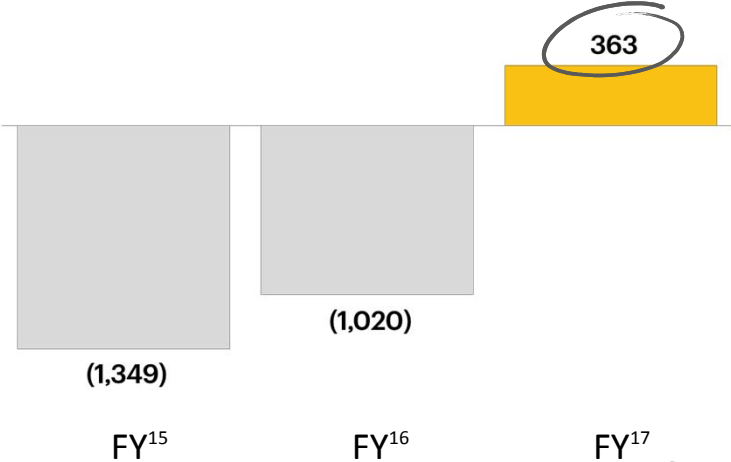
# Growing Connections

Postpaid Phone Net Adds



**3** consecutive years of **GROWTH**

Prepaid Net Adds



**1.4M**  
**IMPROVEMENT**



# Sprint Next-Gen Network



Tri-Band  
Existing Sites  
800 MHz, 1.9 GHz, 2.5 GHz



Expand  
LTE Footprint  
New Macro Sites



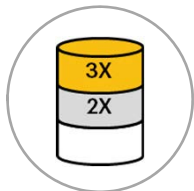
Outdoor  
Small Cells &  
Strand Mounts



Magic Box



256 QAM &  
4X4 MIMO

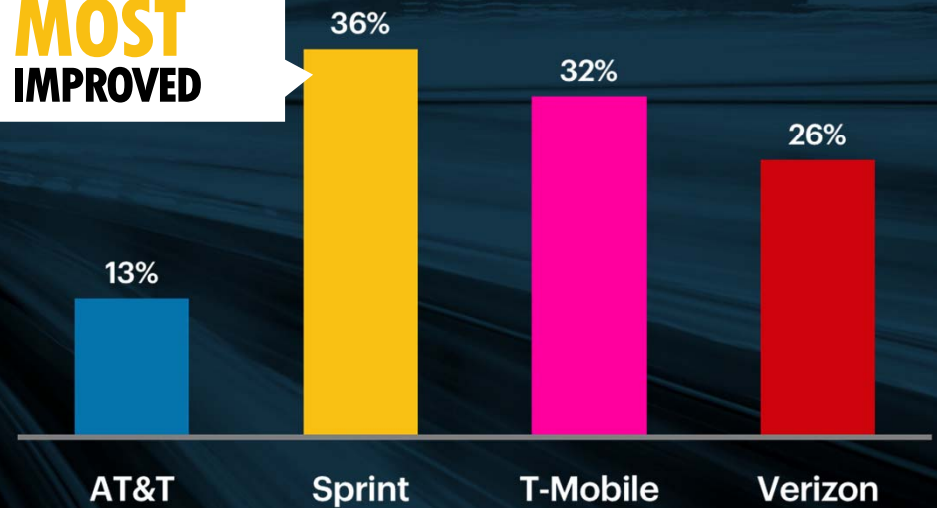


Carrier  
Aggregation



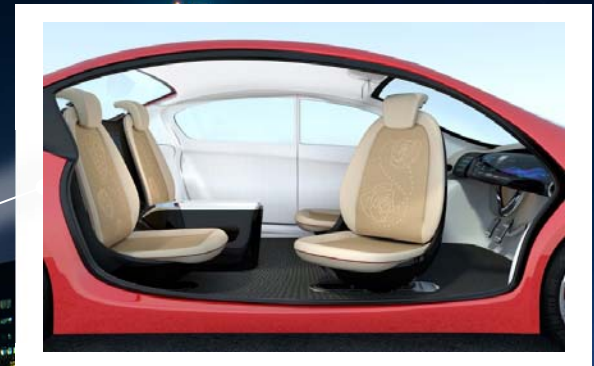
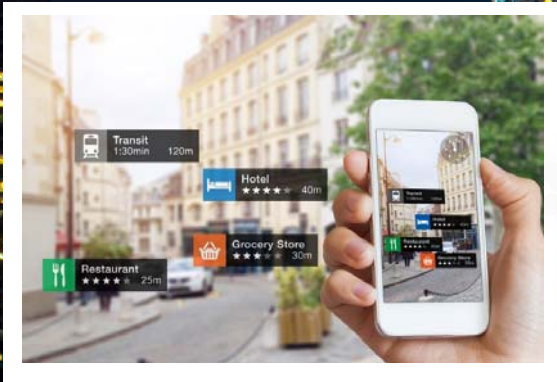
Average Download Speed Change<sup>1</sup>  
Mar '17 to Mar '18

**MOST  
IMPROVED**

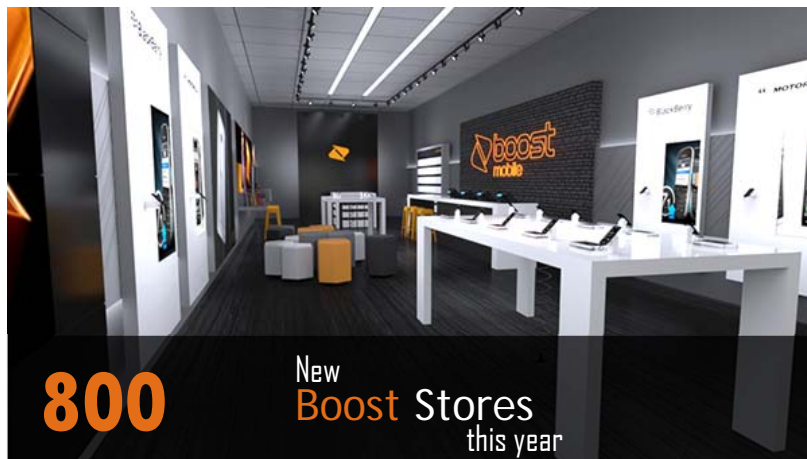


[1] Ookla's analysis of Speedtest Intelligence data comparing March 2017 to March 2018 for all mobile results

# Positioned to Lead in Mobile 5G



# Optimize & Expand Distribution



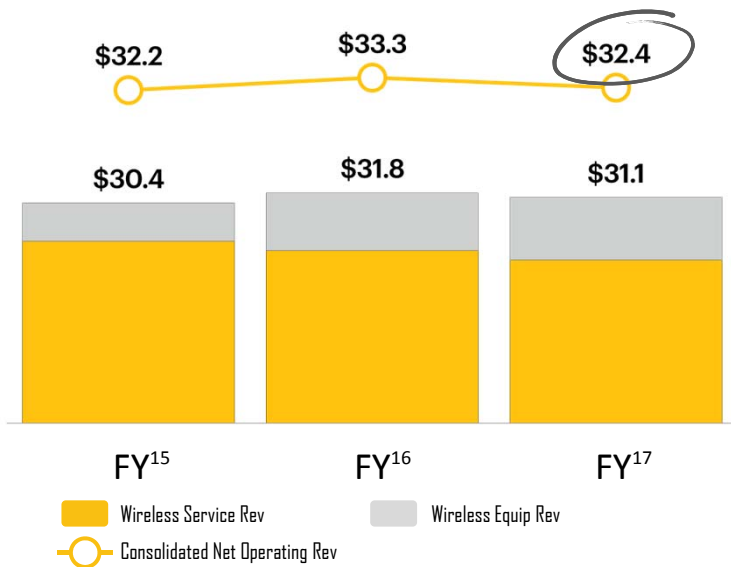
**ENHANCING**  
Digital Capabilities



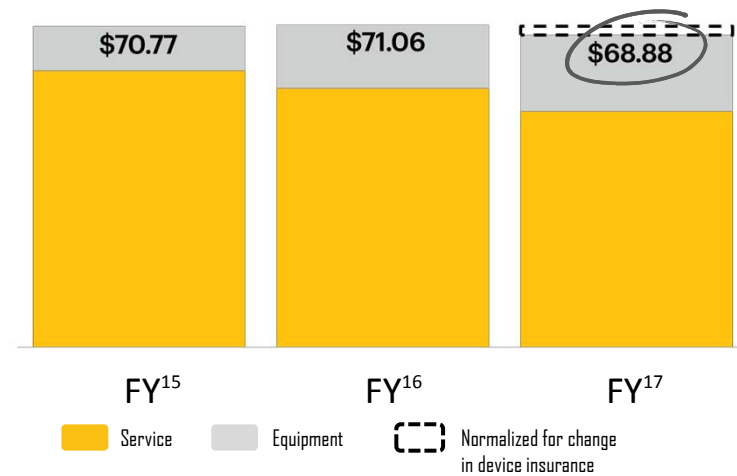
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# Revenue Stabilizing

Net Operating Revenues  
Dollars in Billions

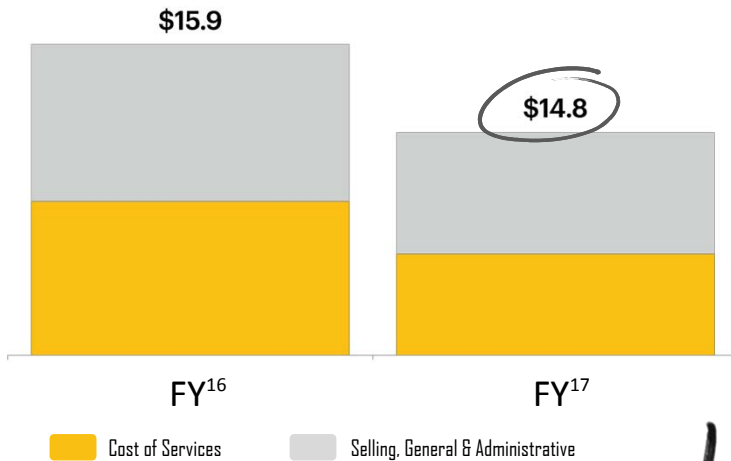


Postpaid Phone Average Billings per User (ABPU)\*

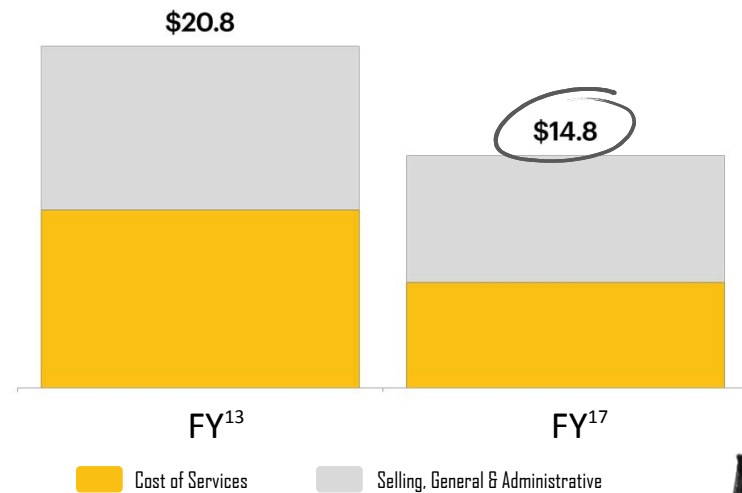


# Reducing Operating Expenses

Operating Expenses  
Dollars in Billions



Operating Expenses  
Dollars in Billions



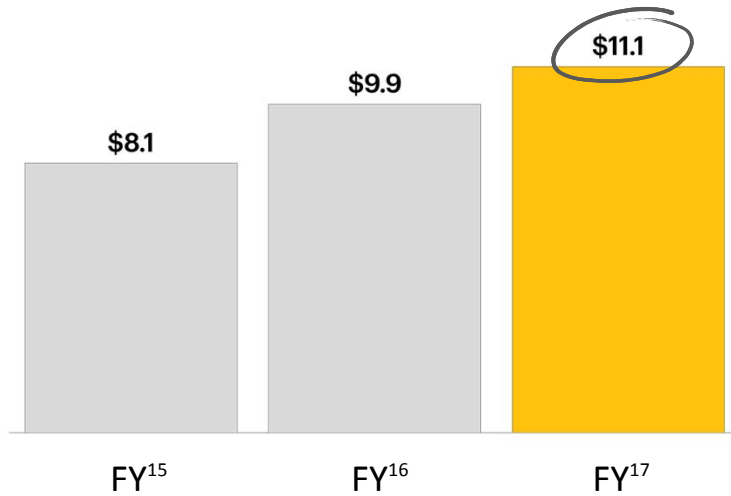
**4 CONSECUTIVE**  
years of \$1 billion or more of net reduction in CoS and SG&A<sup>(1)</sup>

**NEARLY \$6B**  
**REDUCTION**  
in the last four years in CoS and SG&A<sup>(1)</sup>

(1) after adjusting for hurricane and other non-recurring charges

# Improving Profitability

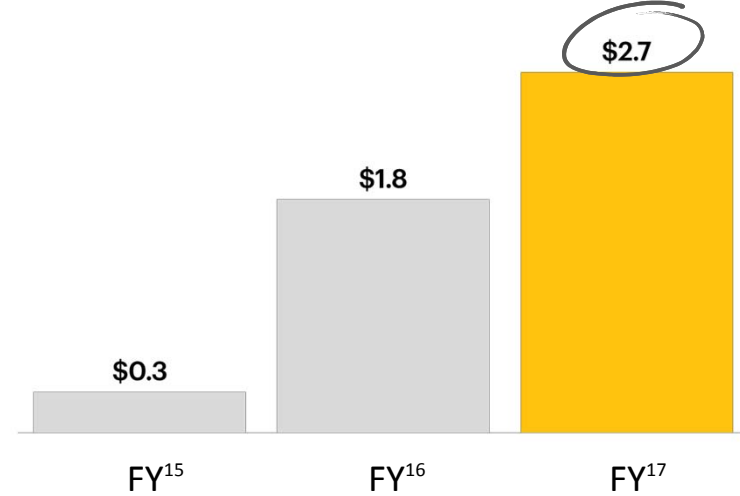
Adjusted EBITDA\*  
Dollars in Billions



**HIGHEST**  
Fiscal Year in  
**11 YEARS**



Operating Income  
Dollars in Billions

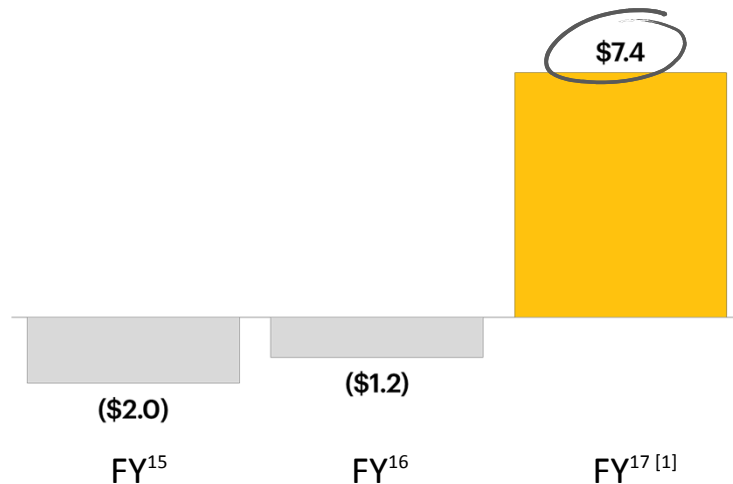


**HIGHEST EVER**



# Net Income/Loss

Net Income (Loss)  
Dollars in Billions



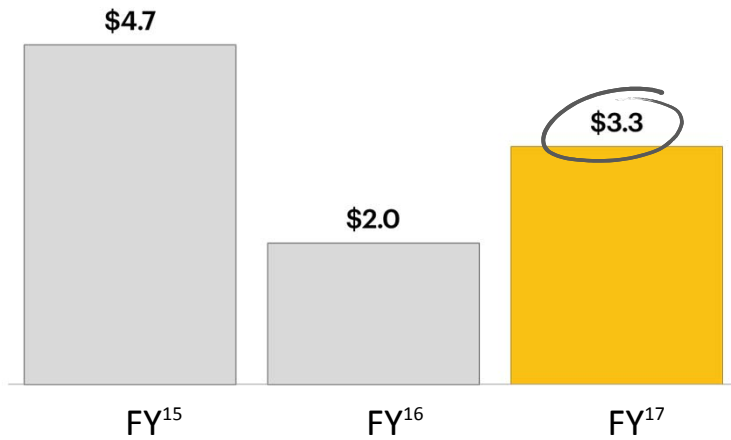
[1] Includes \$7.1B non-cash benefit from tax reform

**1** Net Income for the first time in  
**1 YEARS**

(actual dollars)	FY17	FY16	Change
Basic EPS	\$1.85	(\$0.30)	\$2.15
Tax Reform	\$1.77	N/A	\$1.77

# Capex & Adjusted Free Cash Flow\*

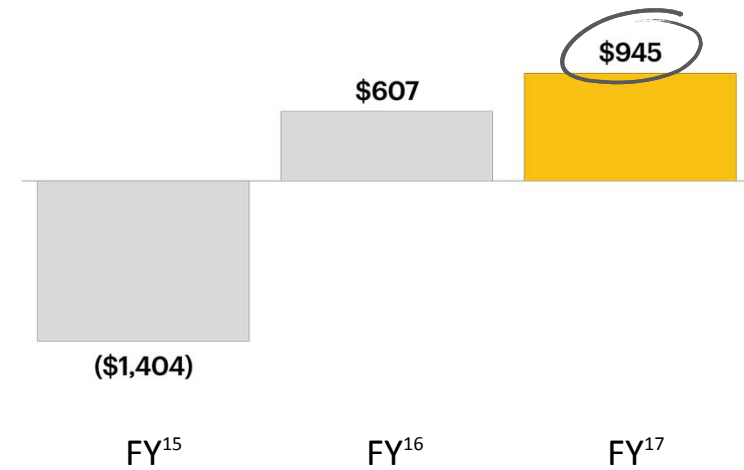
Cash Capex<sup>[1]</sup>  
Dollars in Billions



**NETWORK INVESTMENT UP** NEARLY 70% YEAR-OVER-YEAR

[1] excludes capitalized device leases

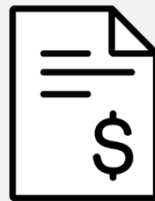
Adjusted Free Cash Flow\*  
Dollars in Millions



**POSITIVE** for second consecutive year



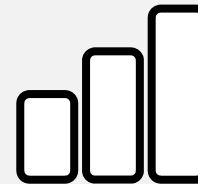
FISCAL YEAR  
**2018**  
Guidance



Adjusted  
EBITDA\*

\$11.3 billion to  
\$11.8 billion

\$11.6-\$12.1B including the impact of the  
new revenue recognition accounting  
standard



Cash  
Capex

\$5.0 billion to  
\$6.0 billion

excluding  
leased devices

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