

**Earnings Results
for the Six-month Period
Ended September 30, 2018**

Investor Briefing

November 7, 2018

SoftBank Group Corp.



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Accounting policy

SoftBank Group Corp. adopted the International Financial Reporting Standards (IFRSs) in 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	FY2017				FY2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	111.61	111.38	112.74	108.85	108.71	111.55		
1 GBP	142.92	146.20	150.77	151.01	147.54	145.84		
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				106.24		113.57		
1 GBP				148.84		148.53		
1 EUR				130.52		132.14		
1 CNY				16.92		16.50		

Accounting

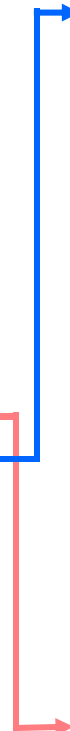
Segments and Core Companies

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
SoftBank Vision Fund and Delta Fund	SoftBank Vision Fund L.P. SB Delta Fund (Jersey) L.P.
Other	Fortress (Consolidated from Dec 2017) Fukuoka SoftBank HAWKS

FY18

Reportable segments	Core companies
SoftBank	SoftBank Wireless City Planning SoftBank Commerce & Service
Sprint	Sprint
Yahoo Japan	Yahoo Japan ASKUL
Arm	Arm
SoftBank Vision Fund and Delta Fund	SoftBank Vision Fund L.P. SB Delta Fund (Jersey) L.P.
Brightstar	Brightstar
Other	Fortress Fukuoka SoftBank HAWKS



Consolidated P/L Summary (IFRSs)

1. Operating income: JPY 1.4 tn

SoftBank Vision Fund: realized gain of JPY 146.7 bn on the sale of Flipkart shares, valuation gain of JPY 503.8 bn due to an increase in the fair values of investments

2. Derivative gain of JPY 42.4 bn: derivative gain relating to collar transaction due to a fall in Alibaba share price

3. Gain from financial instruments at FVTPL of JPY 203.9 bn: increase in fair value of the Company investments

(JPY bn)

P/L item	FY17 Q1-Q2	FY18 Q1-Q2	Change	Primary changes
Net sales	4,411.1	4,653.9	+242.8	
Operating income (excluding income from SoftBank Vision Fund and Delta Fund)	688.6	788.3	+99.7	One-time gain of 176.3 following Arm's China business becoming an associate from a subsidiary due to the establishment of joint venture.
Operating income from SoftBank Vision Fund and Delta Fund	186.2	632.4	+446.2	① SoftBank Vision Fund: realized gain on the sale of Flipkart shares of 146.7, unrealized gain on valuation of investments of 503.8 (see page 16).
Operating income	874.8	1,420.7	+545.9	
Finance cost	-243.5	-322.3	-78.8	
Income on equity method investments	108.3	110.3	+2.0	Increase in income on equity method investments in Alibaba (see page 18).
Foreign exchange gain (loss)	10.9	29.9	+19.0	
Derivative gain (loss)	-504.7	42.4	+547.1	② Derivative gain on the collar transaction related to the monetization of Alibaba shares (FY17: -508.4, FY18: +141.4) (see page 19). Derivative loss of -80.9 on borrowings made by SoftBank Vision Fund using its shareholdings.
Gain (loss) from Financial Instruments at FVTPL	10.2	203.9	+193.7	③ Increase in the fair values of the Company investments outside SoftBank Vision Fund and Delta Fund.
Changes in third-party interests in SoftBank Vision Fund and Delta Fund	-77.2	-199.8	-122.6	(See pages 17 and 24)
SoftBank Vision Fund	-77.1	-196.6	-119.5	
Delta Fund	-0.1	-3.2	-3.1	
Gain from remeasurement relating to discontinuing the use of the equity method	-	89.2	+89.2	Gain from remeasurement at fair value of retained interest in PT Tokopedia.
Other non-operating income (loss)	40.0	27.7	-12.3	
Income before income tax	219.0	1,402.1	+1,183.1	
Income taxes	-75.3	-531.4	-456.1	Current tax of -64.9 on the sale of Flipkart shares by SoftBank Vision Fund.
Net Income	143.7	870.7	+727.0	
Net income attributable to non-controlling interests	41.1	30.6	-10.5	
Net income attributable to owners of the parent	102.6	840.1	+737.5	

* There is no guarantee that historical trends will continue throughout the life of the Funds. Past performance is not necessarily indicative of future results.

Consolidated B/S Summary (IFRSs) - 1

1. Balance of investments from SoftBank Vision Fund and Delta Fund of JPY 3.7 tn: new investments and increase in fair values of investments
 2. Balance of investment outside the Fund (investment securities) of JPY 3.1 tn: new investment in GM Cruise and increase in fair values in investments
- (JPY bn)

B/S item	Main items	As of Mar 2018	As of Sep 2018	Change	Primary changes
Current assets		6,874.9	6,722.3	-152.6	
	Cash and cash equivalents	3,334.7	3,161.7	-173.0	See Cash Flows on page 11 for details.
	Other financial assets	519.4	651.6	+132.2	
Non-current assets		24,305.6	27,085.2	+2,779.6	
	Property, plant and equipment	3,856.8	4,088.4	+231.6	
	Goodwill	4,302.6	4,407.7	+105.1	See page 25.
	Intangible assets	6,784.6	7,066.5	+281.9	See page 25.
	Cost to obtain contracts	-	313.4	+313.4	Newly recorded due to the adoption of IFRS 15 (Sprint and SoftBank).
	Investments accounted for using the equity method	2,328.6	2,654.2	+325.6	Recognition of income on equity method investments of Alibaba. Arm China became an associate accounted for using the equity method from a subsidiary.
	Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	2,827.8	3,745.5	+917.7	① See page 23 for details.
	SoftBank Vision Fund	2,296.6	3,177.0	+880.4	New investments and increase in fair values of NVIDIA, OYO and other investments.
	Delta Fund	531.2	568.5	+37.3	
Investment securities*	2,660.1	3,111.8	+451.7	② Investment in GM Cruise by the Company, and increase in fair values of Uber and the other Company's investments. Meanwhile, Coupang and OYO were sold to SoftBank Vision Fund.	
Total assets		31,180.5	33,807.6	+2,627.1	

* Of the investments held by the Company, Uber, DiDi, Grab, and Ola are not yet transferred to SoftBank Vision Fund as of September 30, 2018; however, the Company expects that the necessary procedures will be made in the future to obtain applicable consent from limited partners of the Fund and regulatory approvals for the transfer.

* There is no guarantee that historical trends will continue throughout the life of the Funds. Past performance is not necessarily indicative of future results.

Consolidated B/S Summary (IFRSs) - 2

(JPY bn)

B/S item	Main items	As of Mar 2018	As of Sep 2018	Change	Primary changes	
Current liabilities		6,728.8	9,143.1	+2,414.3		
	Short-term borrowings	957.6	1,179.5	+221.9		
		SBG	771.3	1,052.7	+281.4	
	Current portion of long-term borrowings	1,093.7	1,389.9	+296.2		
		SoftBank Vision Fund	313.1	635.9	+322.8	Transfer from non-current.
	Current portion of corporate bonds	590.3	1,120.7	+530.4		
		SBG	399.8	698.6	+298.8	Redemption of corporate bonds (-400.0), transfer from non-current (+698.6).
		Sprint	190.4	422.1	+231.7	Transfer from non-current.
	Current portion of financial liabilities relating to sale of shares by variable prepaid forward contract	-	741.7	+741.7		Transfer of financial liabilities relating to variable prepaid forward contract for Alibaba shares from non-current (see page 19).
	Third-party interests in SoftBank Vision Fund and Delta Fund	40.7	2.3	-38.4		
	SoftBank Vision Fund	39.2	0.6	-38.6		
Deposits for banking business	684.1	715.2	+31.1		The Japan Net Bank.	
Derivative financial liabilities	96.2	721.7	+625.5		Transfer of derivative liabilities relating to collar transaction in variable prepaid forward contract for Alibaba shares from non-current (see page 19).	
		18,178.6	17,321.3	-857.3		
Non-current liabilities	Long-term borrowings	5,121.6	5,324.0	+202.4		
		SBG	3,215.5	1,964.6	-1,250.9	← JPY1.6 tn new senior loan borrowing by SoftBank. The proceeds financed SBG to repay a portion of its senior loan before maturity.
		SoftBank	217.5	1,650.9	+1,433.4	
		Sprint	1,346.6	1,449.8	+103.2	
	Corporate bonds	7,234.0	6,899.0	-335.0		
		SBG	4,516.9	4,243.0	-273.9	Foreign currency-denominated senior notes: early redemption (-343.9) and new issuance (+265.0). Domestic straight corporate bonds: new issuance (+444.8) and transfer to current (-698.6).
		Sprint	2,612.2	2,541.0	-71.2	
	Financial liabilities relating to sale of shares by variable prepaid forward contract	688.3	-	-688.3		
	Third-party interests in SoftBank Vision Fund and Delta Fund	1,804.0	2,175.5	+371.5		Changes due to progress in capital calls and Funds' results (see page 24).
		SoftBank Vision Fund	1,659.7	2,020.5	+360.8	
	Delta Fund	144.3	155.0	+10.7		
Derivative financial liabilities	865.4	89.6	-775.8			
Deferred tax liabilities	1,085.6	1,449.4	+363.8		Mainly increase in DTL related to Sprint's FCC licenses due to a weaker yen.	
	Total liabilities	24,907.4	26,464.4	+1,557.0		

Consolidated B/S Summary (IFRSs) - 3

1. Increase in retained earnings:

- Net income attributable to owners of the parent: JPY 840.1 bn
- Cumulative impact of adopting the new standards (IFRS 9 & IFRS 15) of JPY 300.6 bn: recognized as adjustments to the opening balance (positive impact) of retained earnings

(JPY bn)

B/S item	Items	As of Mar 2018	As of Sep 2018	Change	Primary changes
Equity		6,273.0	7,343.1	+1,070.1	
	Common stock	238.8	238.8	-	
	Capital surplus	256.8	212.2	-44.6	The Company's ownership in Yahoo Japan increased to 48.17% from 42.95% as a result of SoftBank's acquisition of Yahoo Japan shares and Yahoo Japan's buyback of its own shares. Capital surplus decreased by 56.6 reflecting changes in controlling interests.
	Other equity instruments *	496.9	496.9	-	
	Retained earnings	3,940.3	5,041.2	+1,100.9	<ul style="list-style-type: none"> • Net income attributable to owners of parent: +840.1 • Cumulative impact of adopting the new standards was recognized as adjustments to the opening balance: +300.6 (IFRS 9: +52.5, IFRS 15: +248.1).
	Treasury stock	-66.5	-62.9	+3.6	
	Accumulated other comprehensive income	318.0	419.0	+101.0	<ul style="list-style-type: none"> • Positive exchange differences on translating foreign operations (+180.3), mainly at Sprint's (+155.4). • Reclassification of available-for-sale financial assets of -57.8 (IFRS 9: -52.5, IFRS 15: -5.3) as the opening balance of retained earnings following the adoption of new standards.
	Non-controlling interests	1,088.8	998.1	-90.7	
	Ratio of equity attributable to owners of the parent (equity ratio)	16.6%	18.8%	+2.2pp	

* USD-denominated undated subordinated notes issued in July 2017 by SBG, which were classified as equity instruments in accordance with IFRSs.

Consolidated C/F Summary (IFRSs)

1. SoftBank Vision Fund: acquisition of investments of JPY 362.3 bn and proceeds from sale of Flipkart shares of JPY 421.9 bn
2. Acquisition of Company investments outside of SoftBank Vision Fund of JPY 408.8 bn: GM Cruise and others
3. Reorganizing debts of SoftBank and SBG (JPY 1.6 tn) as part of preparations for listing of SoftBank

(JPY bn)

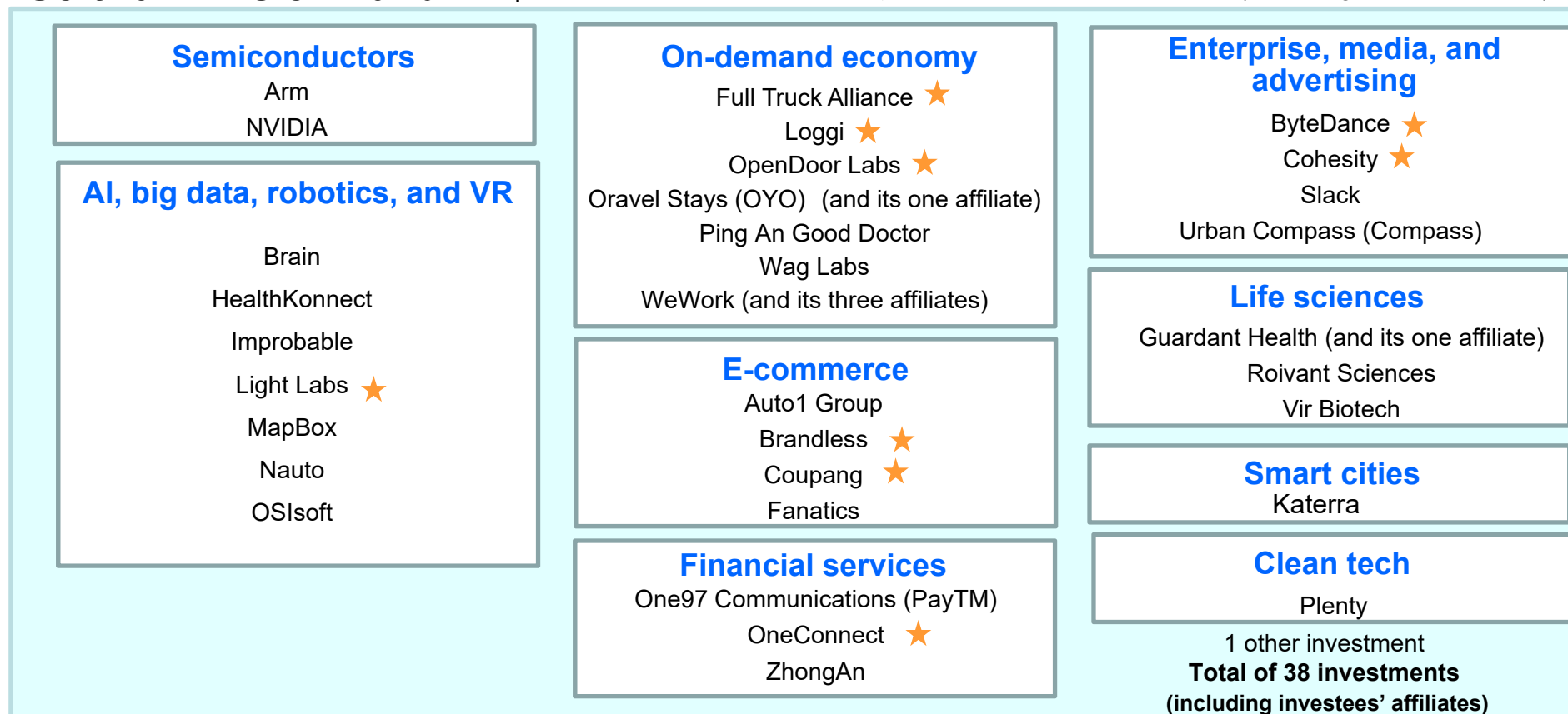
C/F item	FY18 Q1-Q2	Main breakdown	
Cash flows from operating activities	782.8	1,251.8	Subtotal of cash flows from operating activities.
		-322.1	Interest paid (SBG: -95.6, Sprint: -167.8).
		-267.0	Income taxes paid.
Cash flows from investing activities	-1,118.1	-701.0	Purchase of property, plant and equipment, and intangible assets.
		-408.8	2 Payments for acquisition of Company (outside SoftBank Vision Fund and Delta Fund) investments Investments by the Company in GM Cruise and others. The Japan Net Bank acquired investment securities held for investment.
		-362.3	1 Payments for acquisitions of investments by SoftBank Vision Fund and Delta Fund SoftBank Vision Fund made new investments. Delta Fund has not made new acquisitions in FY18Q1-Q2.
		421.9	1 Proceeds from sale of investments by SoftBank Vision Fund and Delta Fund SoftBank Vision Fund sold Flipkart shares. Delta has not sold any investments in FY18Q1-Q2.
		83.7	Increase from loss of control over subsidiaries Proceeds received relating to the sale of 51% equity interest in Arm China, net of cash and cash equivalents held by Arm China as of the date of loss of control.
Cash flows from financing activities	63.0	4,507.7	3 Proceeds from interest-bearing debt SoftBank: senior loan (1,600.0) SBG: senior loan (750.3), issuance of domestic straight corporate bonds (450.0), issuance of foreign-currency denominated senior notes (272.7), borrowing by subsidiary using Alibaba shares (161.1) Sprint: borrowings through securitization of installment receivables (324.5) SoftBank Vision Fund: crystallization of investment securities held (253.5)
		-4,110.6	3 Repayment of interest-bearing debt SBG: partial repayment of senior loan before maturity (-1,600.0) and redemption of corporate bonds at and before maturity (-757.6) Sprint: repayment of borrowings made by securitizing receivables and using spectrum holdings (-318.7) SoftBank Vision Fund: repayment of borrowings (-158.4)
		394.2	Contributions to SoftBank Vision Fund and Delta Fund from third-party investors
		-394.2	Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors SoftBank Vision Fund: fixed distributions (-53.8), performance-based distributions (-141.4), repayment (-195.9) Delta Fund: fixed distributions (-3.1)
		-228.6	Payments for purchase of subsidiaries' interests from non-controlling interests SoftBank acquired Yahoo Japan shares from Altaba through tender offer.
		Cash and cash equivalents opening balance	3,334.7
Cash and cash equivalents closing balance	3,161.7		

Investments of SoftBank Vision Fund and Delta Fund



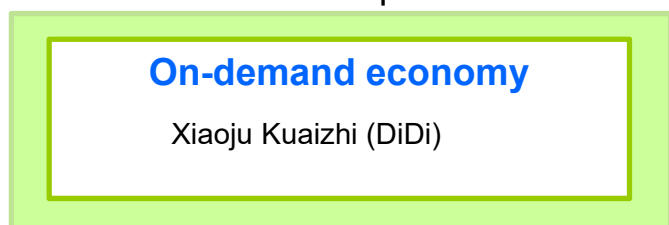
(as of September 30, 2018)

SoftBank Vision Fund Acquisition cost: USD 28.1 bn, Fair value: USD 35.8 bn (Excluding investments sold)



★ New investments during FY18Q1-Q2

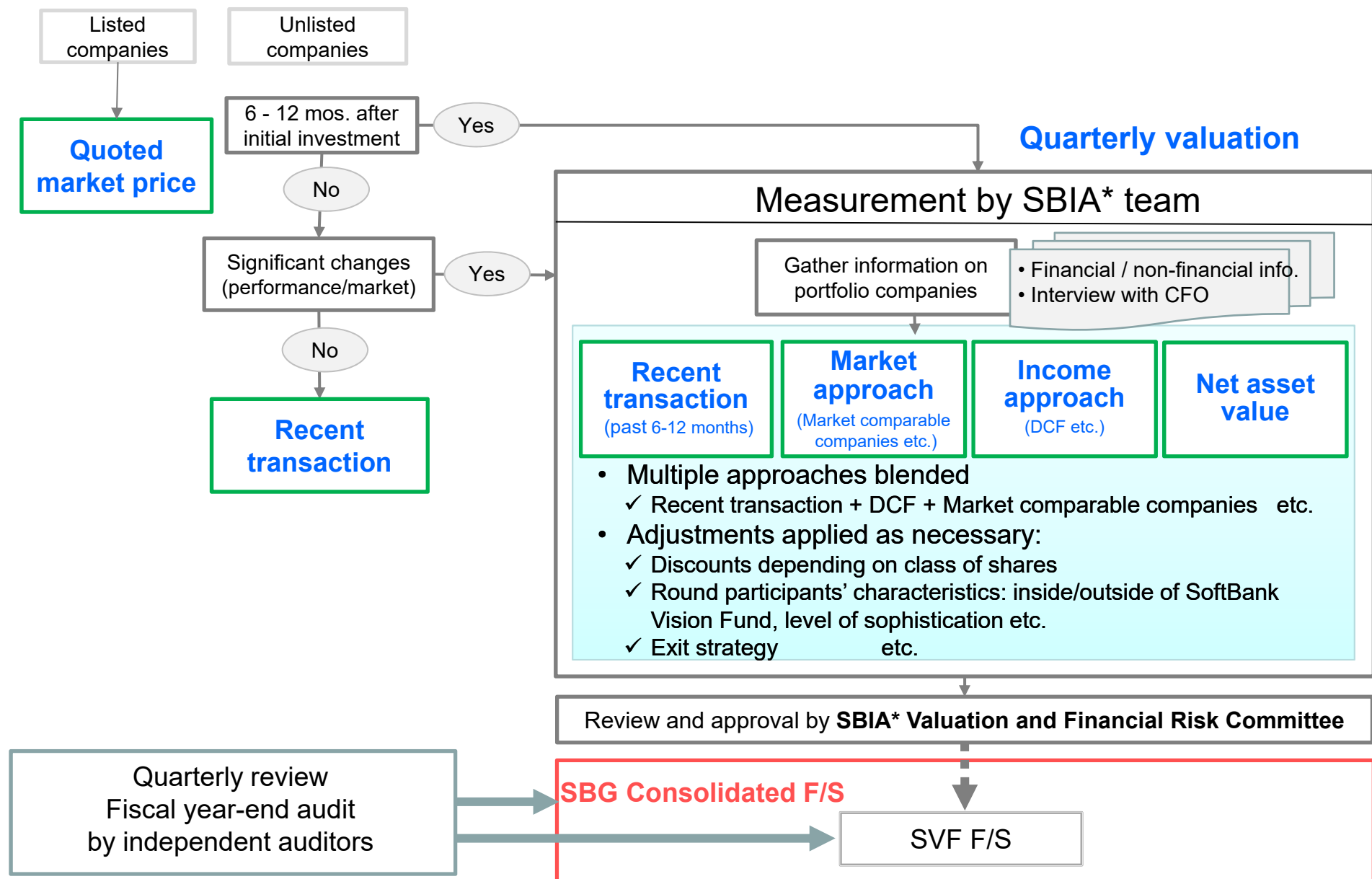
Delta Fund Acquisition cost: USD 5.0 bn, Fair value: USD 5.0 bn



* SoftBank Vision Fund made some investments through investment holding entities that are subsidiaries, but not wholly owned subsidiaries, of the 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. Some of the subsidiaries of SoftBank Vision Fund have investors other than the Fund. Of the total fair values of investments by SoftBank Vision Fund at the end of the second quarter, USD1.4 billion belongs to such third-party, unaffiliated investors of the Fund.

* Valuations reflect unrealized estimated amounts and should not be construed as indicative of actual or future performance. Such values do not reflect fees and expenses that would reduce the value of returns experienced by limited partners of the Funds. There is no guarantee that historical trends will continue throughout the life of Funds. It should not be assumed that investments made in the future will be comparable in quality or performance to investments described herein. References to specific investments should not be construed as a recommendation of any particular investment or security.

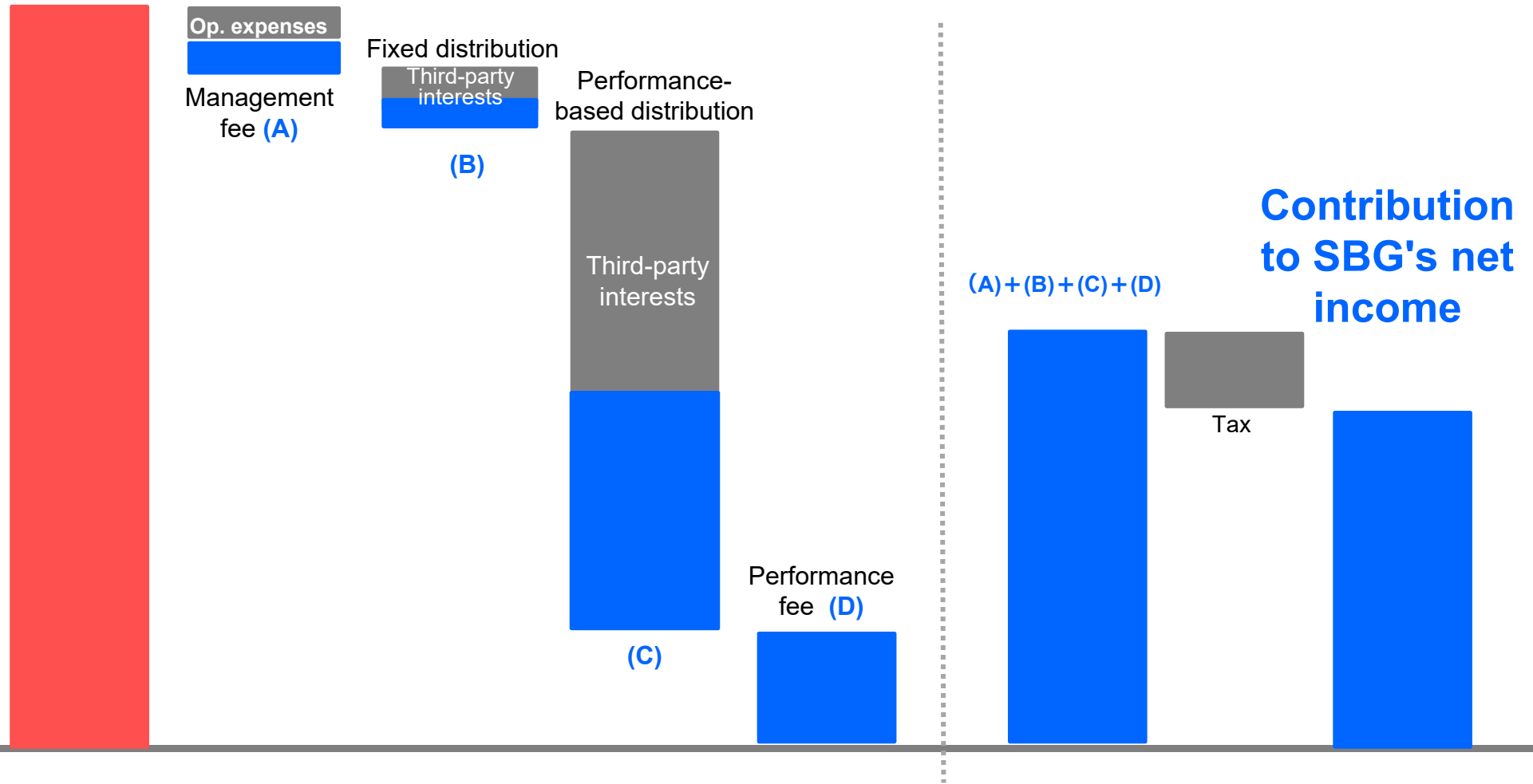
Valuation Process for Investments at SoftBank Vision Fund



* SB Investment Advisers (UK) Limited, the Company's wholly owned U.K. subsidiary, which manages SoftBank Vision Fund and Delta Fund.

SoftBank Vision Fund - Distribution waterfall related to realized gain (illustrative)

(Sales value – acquisition cost)

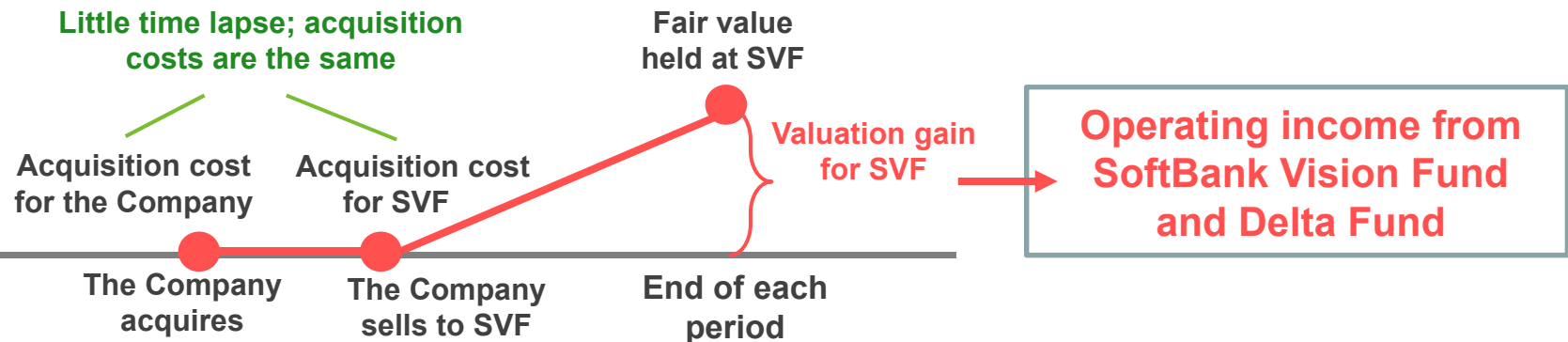


* All the conditions and amounts used as assumptions for the case study on this page are not factual and are provided for an illustrative purpose only. They do not represent the factual conditions or amounts stipulated in the agreements or contracts related to the SoftBank Vision Fund.

SoftBank Vision Fund - Gain/Loss on Investments in P/L (Bridge Investments and Other Investments)

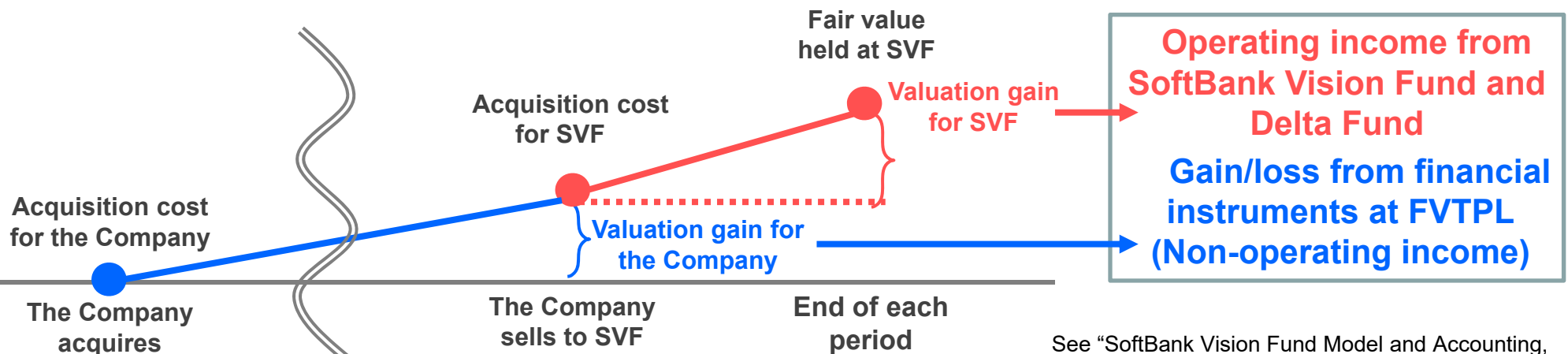
Bridge investments

Investments that were acquired by the Company on the premise of offering to SoftBank Vision Fund and that were in accordance with the investment eligibility criteria of the Fund at the time of acquisition and subject to applicable consent requirements; e.g. NVIDIA



Other investments

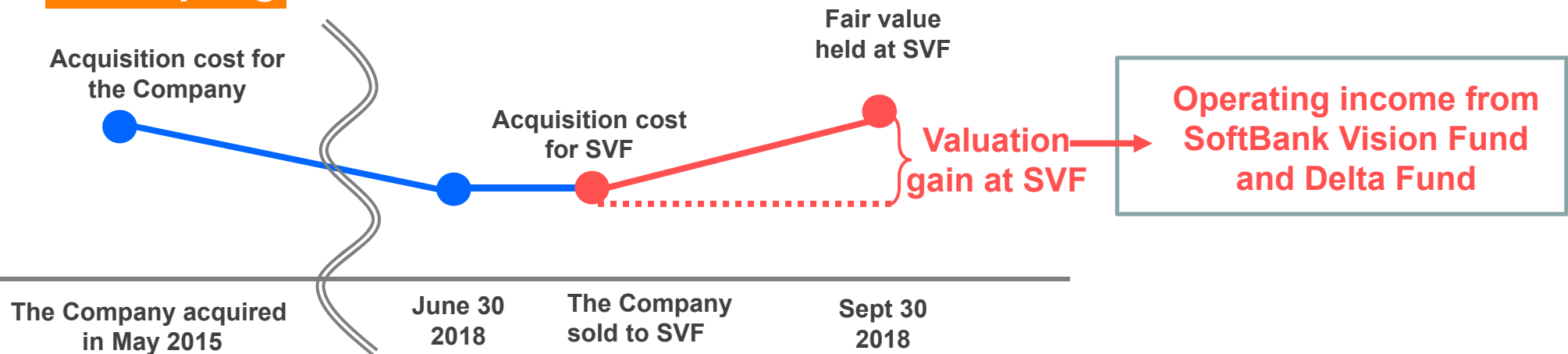
Investments other than the abovementioned “Bridge investments”. Examples include investments that were made without the premise of offering the investment to the Fund at the time of acquisition, or, investments that were made with the premise of offering the investment to the Fund but were not in accordance with the investment eligibility criteria of the Fund at the time of acquisition and therefore require consent from the limited partners for selling to the Fund. In FY18Q2, Coupang (acquired by the Company in May 2015) and OYO (acquired by the Company in July 2015) were sold to SVF at fair value as of June 30 2018.



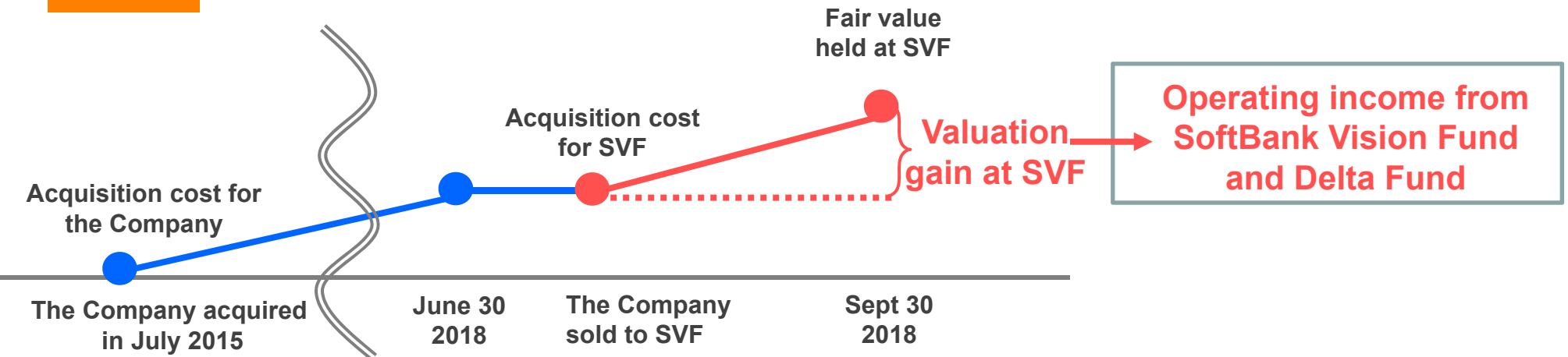
See “SoftBank Vision Fund Model and Accounting, November 7, 2018” for details.

SoftBank Vision Fund - Gain/Loss on Investments in P/L (Other Investments: Coupang, OYO)

1. Coupang



2. OYO



* References to specific investments are provided solely for illustrative purposes to demonstrate gain/loss on investments in P/L for recent investments acquired by the Vision Fund from the Company within the reporting period, and should not be construed as a recommendation of any particular investment or security.

Income and Loss Arising from the SoftBank Vision Fund and Delta Fund included in P/L



Income and loss arising from the SoftBank Vision Fund and Delta Fund included in income before income tax in P/L are calculated by aggregating income and loss arising from SoftBank Vision Fund and Delta Fund, income and loss arising from each general partner, SBIA, and two advisory companies which support SBIA in the US and Japan. All inter-company transactions are eliminated.

(JPY bn)

P/L	FY17 Q1-Q2	FY18 Q1-Q2	Items
Gain and loss on investments at SoftBank Vision Fund and Delta Fund	194.3	649.4	
SoftBank Vision Fund	194.3	648.8	
Realized gain/loss on selling of investments	-	146.7	Sold Flipkart shares in Aug 2018 calculated based on average foreign exchange rate during FY18Q2.
Unrealized gain/loss on valuation of investments	194.3	503.8	Fair values of NVIDIA, OYO and others increased.
Interest and dividend income from investments	-	2.6	
Effect of foreign exchange translation	-	-4.3	Difference between average foreign exchange rate used for calculation of realized gain in FY18Q2 and the rate used for calculation of unrealized gain in FY18Q1.
Delta Fund	-	0.6	
Unrealized gain/loss on valuation of investments	-	0.6	
Operating expenses (including expenses not attributable to the Funds)	-8.1	-16.9	<ul style="list-style-type: none"> Investment research and operating expenses arising from SBIA and other advisory companies. Incorporation expenses of entities that comprise SoftBank Vision Fund and Delta Fund.
Operating income from SoftBank Vision Fund and Delta Fund	186.2	632.4	
Finance cost	-0.2	-11.7	Interest expense on borrowings.
Foreign exchange differences on translating	0.0	-0.0	
Derivative gain and loss	-	-81.0	Derivative loss on borrowings made by SoftBank Vision Fund using its shareholding.
Change in third-party interests in SoftBank Vision Fund and Delta Fund	-77.2	-199.8	Fluctuations due to the results of SoftBank Vision Fund and Delta Fund out of third-party interests in SoftBank Vision Fund and Delta Fund.
SoftBank Vision Fund	-77.2	-196.6	
Delta Fund	-	-3.2	
Other non-operating income and loss	-1.8	-0.5	
Income before income tax	107.1	339.5	

* The names of the investments of SoftBank Vision Fund are presented in the order of the size of the investments' impact on the Company's financial results, unless otherwise stated.

* Current taxes of JPY 64.9 bn were recorded for the realized gain in Flipkart, which mainly operates businesses in India. The sale of Flipkart shares by SoftBank Vision Fund occurred within 24 months of purchasing the investment, and therefore was taxed at 43.68%, the Indian short-term capital gains tax rate.

* There is no guarantee that historical trends will continue throughout the life of the Funds.

Income on Equity Method Investments Related to Alibaba

	Alibaba			SoftBank Group			
	US GAAP	IFRSs					
					(CNY mil)		(JPY bn)
	Net income attributable to Alibaba	Reconciliation to IFRSs	Net income	Ownership	Income on equity method investments	Exchange rate	Income on equity method investments
FY17Q1	10,647 (Jan - Mar)	-8,568 ^{*1}	2,079	Approx. 30%	619	JPY 15.96 / CNY	9.9
FY17Q2	14,683 (Apr - June)	7,407 ^{*2}	22,090	Approx. 30%	6,596	JPY 16.64 / CNY	109.7
Total	25,330	-1,161	24,169		7,215		119.6
FY18Q1	7,669 (Jan - Mar)	-1,103 ^{*3}	6,566	Approx. 29%	1,930	JPY 16.97 / CNY	32.7
FY18Q2	8,720 (Apr - June)	9,755 ^{*4}	18,475	Approx. 29%	5,419	JPY 16.40 / CNY	88.9
Total	16,389	8,652	25,041		7,349		121.6

Income on equity method investments	JPY 121.6 bn
Deferred tax expenses	JPY -28.3 bn

Impact on net income	JPY 93.3 bn

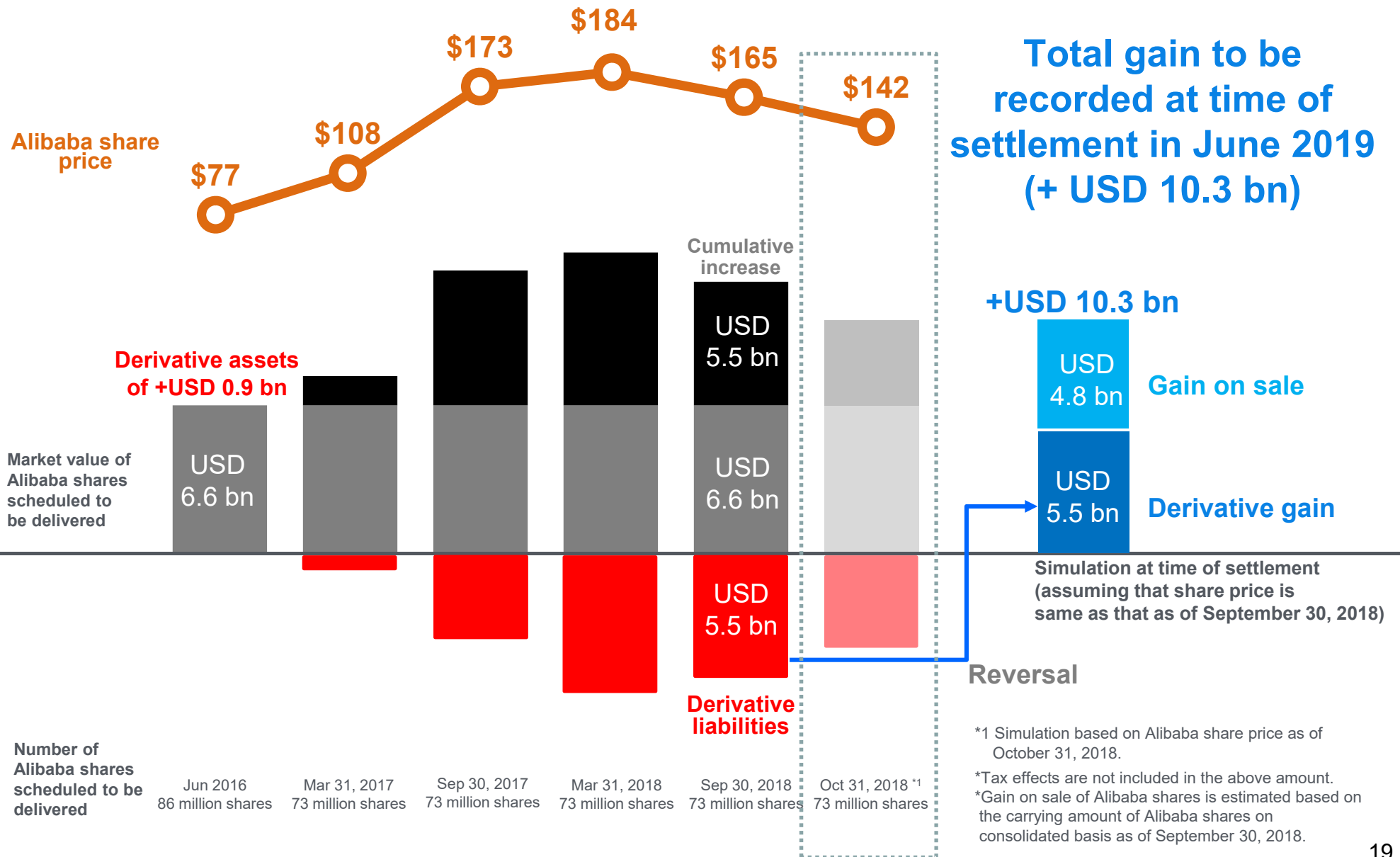
*1 (i) A loss was recognized as a result of change in fair value of the put option embedded in non-controlling interests of one of Alibaba's non-wholly owned subsidiaries. The put option is recorded as a financial liability under IFRSs. (ii) A negative adjustment was made for the gain on the sales of financial instruments at FVTPL held by Alibaba. A fair value gain on the said FVTPL instruments had been recorded in the period year under IFRS.

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

*3 The changes in fair value of financial assets at FVTPL (CNY -2,670 mil).

*4 Mainly from negative adjustment to expenses for compensation designed for Alibaba employees using Ant Financial shares. Under IFRS, the expenses are not recognized. (CNY +11,477 mil)

Derivative Gain and Loss Relating to Variable Prepaid Forward Contract for Alibaba Shares (if settled by Alibaba shares)



Appendix

Outline of Funds in SoftBank Vision Fund and Delta Fund

As of September 30, 2018	SoftBank Vision Fund	Delta Fund
Major limited partnership	SoftBank Vision Fund L. P.	SB Delta Fund (Jersey) L. P.
Total committed capital	USD 91.7 bn ^{*1 *2}	USD 6.0 bn ^{*2}
	SBG: USD 28.1 bn ^{*3} Third-party investors: USD 63.6 bn ^{*2}	SBG: USD 4.4 bn Third-party investors: USD 1.6 bn ^{*2}
General partner	SVF GP (Jersey) Limited (The Company's wholly owned overseas subsidiary)	SB Delta Fund GP (Jersey) Limited (The Company's wholly owned overseas subsidiary)
Investment period	Five years from November 20, 2017 (in principle)	Five years from November 20, 2017 (in principle)
Minimum Fund life	Twelve years from November 20, 2017 (in principle)	Twelve years from November 20, 2017 (in principle)

*1. On October 19, 2018, SoftBank Vision Fund completed an interim closing with additional committed capital of USD 5 billion. This brought the total committed capital of the Fund to USD 96.7 billion. The additional committed capital is intended for the installment of an incentive scheme for operations of SoftBank Vision Fund.

*2. A portion of the capital committed by third-party investors 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 third-party investors in each Fund.

*3. The amount includes approximately USD 8.2 billion of an obligation to be satisfied by using Arm Limited shares.

* Certain information contained herein relating to the Funds' targets, intentions or expectations, is subject to change and no assurance can be given that such targets, intentions or expectations will be met.

Capital Deployment of SoftBank Vision Fund and Delta Fund



(USD bn)

As of September 30, 2018	Total	The Company	Third-party investors
Committed capital			
SoftBank Vision Fund	91.7 ^{*1}	28.1 ^{*2}	63.6 ^{*1}
Delta Fund	6.0 ^{*1}	4.4	1.6 ^{*1}
Contribution from limited partners ^{*3}			
SoftBank Vision Fund	23.8	7.2	16.6
Delta Fund	5.1	3.7 ^{*4}	1.4
Non-recallable contribution from limited partners ^{*5}			
SoftBank Vision Fund	2.5	0.8	1.7
Remaining committed capital			
SoftBank Vision Fund	65.4	20.1	45.3
Delta Fund	0.9 ^{*6}	0.7	0.2 ^{*6}

*1. A portion of the capital committed by third-party investors 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 any third-party investors in each Fund.

*2. The amount includes approximately USD 8.2 billion of obligation to be satisfied by using 24.99% of Arm Limited shares. As a result of contributions made through the end of the second quarter, SoftBank Vision Fund held 24.54% of Arm Limited shares at the end of the second quarter.

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

*4. The amount includes the value of the investment securities in 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 applicable principal for the investment, which was returned to limited partners after the sale of Flipkart shares.

*6. When an investment is made from the remaining committed capital of any third-party investors in Delta Fund, the same amount is deducted from that investor's remaining committed capital at SoftBank Vision Fund.

Investments of SoftBank Vision Fund and Delta Fund

(USD bn)

As of September 30, 2018		Acquisition cost	Fair value
Investments acquired	SoftBank Vision Fund	28.1	35.8
	Delta Fund	5.0	5.0
Investments agreed to be transferred from the Company		0.2	0.2
Total		33.3	41.0
Excluding consolidated subsidiaries		-8.0	-8.0
Total		25.3	33.0

*Arm

Exchange rate (JPY/USD)		JPY113.57/USD
Amount recorded on B/S (JPY bn)	SoftBank Vision Fund	3,177.0
	Delta Fund	568.5



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

- * The above table presents the investments acquired by SoftBank Vision Fund and Delta Fund and the investments upon which the Company recognizes the decision of transfer is made.
- * SoftBank Vision Fund made some investments through investment holding entities that are subsidiaries, but not wholly owned subsidiaries, of the 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. Some of the subsidiaries of SoftBank Vision Fund have investors other than the Fund. Of the total fair values of investments by SoftBank Vision Fund at the end of the second quarter, USD 1.4 billion belongs to such third-party, unaffiliated investors of the Fund.
- * Valuations reflect unrealized estimated amounts and should not be construed as indicative of actual or future performance. Such values do not reflect fees and expenses that would reduce the value of returns experienced by the Funds' investors. There is no guarantee that historical trends will continue throughout the life of the Funds.

Third-party interests in SoftBank Vision Fund and Delta Fund



(Reference) Links with the consolidated F/S

	(JPY bn)	Third-Party Interests in SoftBank Vision Fund and Delta Fund (Total of current liability and non-current liabilities)	
		P/L	C/F
As of April 1, 2018	1,844.7		(JPY bn)
Contributions from third-party investors	394.2	-	394.2
SoftBank Vision Fund	393.4		
Delta Fund	0.8		
Changes in third-party interests	199.8	-199.8	-
Attributable to investors entitled to fixed distribution	40.7		
SoftBank Vision Fund	37.5		
Delta Fund	3.2		
Attributable to investors entitled to performance-based distribution	159.1		
SoftBank Vision Fund	159.1		
Distribution to third-party investors	-198.3	-	-198.3
Fixed distributions	-56.9		
SoftBank Vision Fund	-53.8		
Delta Fund	-3.1		
Performance-based distributions *1	-141.4		
SoftBank Vision Fund	-141.4		
Repayment to third-party investors of SoftBank Vision Fund	-195.9	-	-195.9
Softbank Vision Fund	-195.9		
Exchange differences on translating third-party interests in SoftBank Vision Fund and Delta Fund *2	133.3	-	-
As of September 30, 2018	2,177.8		

*1. SBIA reserves the right to receive performance fees based on the results of investments. However, any performance fees arising during the investment period of the SoftBank Vision Fund (5 years from November 20, 2017) for the crystallization of investments are temporarily withheld from SBIA and paid out to LPs according to the Limited Partnership Agreement. The performance fees due is deducted from the performance-based distribution to LPs at the end of the investment period and paid to SBIA. The performance-based distribution during the six months ended September 30, 2018 includes the performance fees of JPY48 bn temporarily paid to LPs.

*2. Included in "exchange differences on translating foreign operations" in statement of comprehensive income.

(Reference) Breakdown of Goodwill / Intangible Assets

(JPY bn)

B/S item	Main items	As of Mar 2018	As of Sep 2018	Change			Outline	
				Amortization	Changes in exchange rate	Others		
Goodwill		4,302.6	4,407.7	-	+19.3	+85.8		
	Arm	2,851.4	2,845.5	-	-5.9	-		
	SoftBank	907.5	907.5	-	-	-		
	Sprint	312.8	334.4	-	+21.6			
Main intangible assets	FCC licenses (non-amortized)	3,960.6	4,241.3	-	+273.5	+7.2		
							Increase in "others" mainly related to FCC licenses acquired through exchange of spectrum with other carriers (non-cash transaction).	
		<i>Sprint</i>	3,960.6	4,241.3	-	+273.5	+7.2	
	Technologies	521.6	495.4	-24.6	-1.6	-		
	Main b/d	<i>Arm</i>	519.0	493.8	-23.7	-1.5	-	Amortized at straight-line method for 8-20 years.
	Customer relationships	332.4	291.0	-48.5	+7.1	-		
	Main b/d	<i>Sprint</i>	116.8	90.0	-33.8	+7.0	-	Amortized at sum-of-the-months' digits method. Amortized for 8 years for postpaid.
	Main b/d	<i>Arm</i>	140.6	134.2	-6.1	-0.3	-	Amortized at straight-line method for 13 years.
	Trademarks	664.9	708.0	-	+44.0	-0.8	Excluding trademarks with finite useful lives.	
	Main b/d	<i>Sprint</i>	630.6	674.0	-	+43.4	-	
Management contracts	115.3	113.0	-9.9	+7.6	-			
	<i>Fortress</i>	115.3	113.0	-9.9	+7.6	-	Amortized at straight-line method for 1.5-10 years.	

* 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.

Adoption of IFRS 9 and IFRS 15 -1

IFRS 9 (Financial Instruments)

Primary changes in accounting treatment:

Recognition of changes in fair values of investment securities

Previous: Recognized as changes in Available-for-sale Financial Assets in Equity

New: **Recognized as Gain And Loss From Financial Instruments At FVTPL in P/L**

*Classified as financial assets at FVTPL in principle, while some takes FVTOCI option.

Method of retroactive adjustments:

Before FY18: Previous standard with no adjustments

FY18 and after: New standards

The cumulative impact following the adoption of the new standard is **recognized as adjustments to the opening balance of Retained Earnings and Accumulated Other Comprehensive income.**

Adjustments to the balance as of April 1, 2018:

Increase in Retained Earnings: + JPY 52.5 bn

Decrease in Accumulated Other Comprehensive Income: - JPY 52.5 bn

IFRS 15 (Revenue from Contracts with Customers)

Primary changes in accounting treatment:

(1) Customer acquisition costs (SB/Sprint) are

Previous: recognized as expenses when incurred

New: **capitalized as costs to obtain contracts and amortized**

(2) Performance fees (Fortress) are recognized

Previous: when the amounts are confirmed

New: **when nonoccurrence of a significant reduction in the performance fees is deemed to be highly probable**

(3) Presentation of net sales and costs of sales:

Changes in Brightstar/Yahoo Japan

Method of retroactive adjustments :

Before FY18: Previous standard with no adjustments

FY18 and after: New standards

The cumulative impact following the adoption of the new standard is **recognized as adjustments to the opening balance of Retained Earnings and Accumulated Other Comprehensive income.**

Adjustments to the balance as of April 1, 2018:

Capitalization of costs to obtain contracts : + JPY 304.8 bn

Increase in Retained Earnings: + JPY 248.1 bn

※See "Effect of adopting new standards and interpretations" in FY18Q2 consolidated financial report page 53 for details.

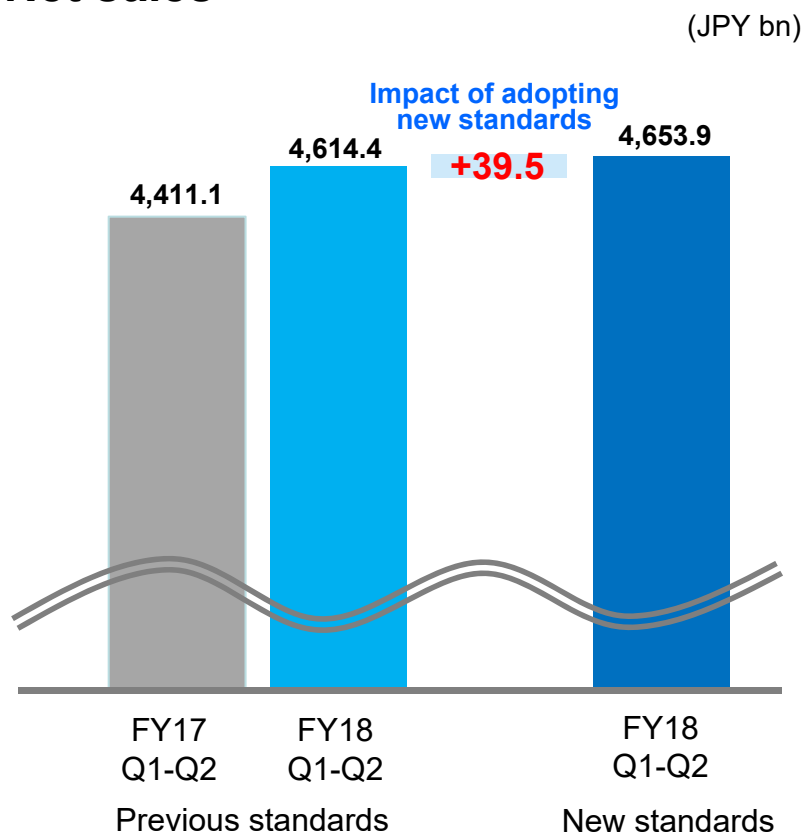
FVTOCI option: making an irrevocable election that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Adoption of IFRS 9 and IFRS 15 -2

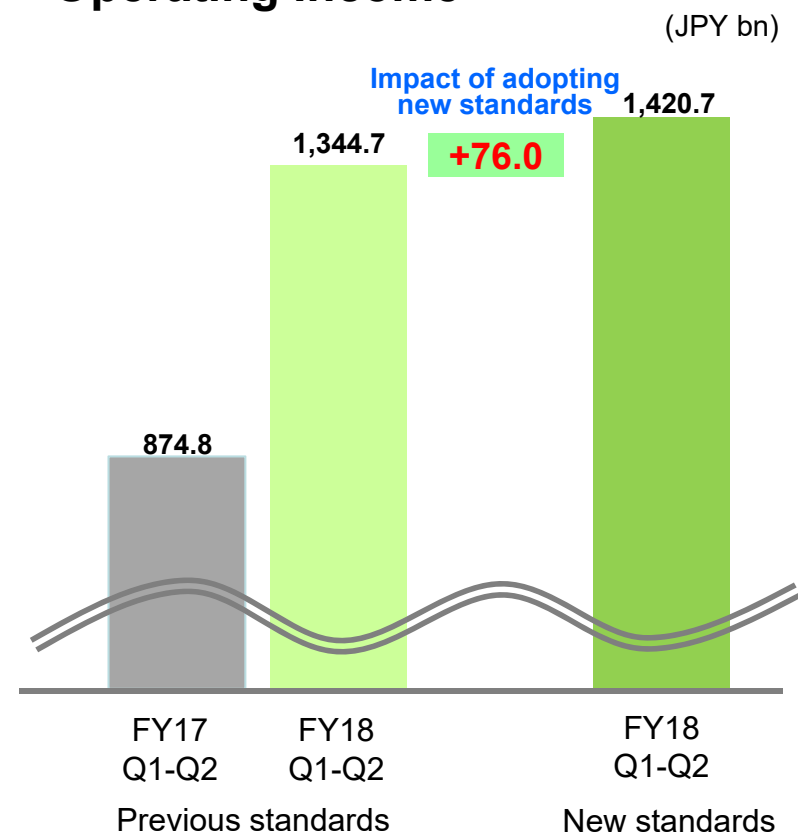
Impact of adopting new standards on P/L:

Net sales: + JPY 39.5 bn, operating income: + JPY 76.0 bn

Net sales



Operating Income



Finance

Main Activities in FY2018 (Investments and Fundings)

Event		Amount	Timing
Investment	Investments made by SoftBank Vision Fund and Delta Fund	Accumulated invested amount: USD 35.5 bn ^{*1}	By Sep 2018
		(Ref.) Total committed capital: USD 97.7 bn (incl. capital committed by SBG: USD 32.5bn ^{*2})	
Fund- ing	Restructuring of foreign currency-dominated notes		
	Consent solicitation and exchange offer for 2015 USD and EUR-denominated senior notes		Apr 2018
	Early redemption of 2013 USD and EUR-denominated senior notes	Approx. JPY 350.0 bn ^{*3}	May 2018
	Issuance of USD and EUR-denominated senior notes for early redemption of 2013 Notes	Approx. JPY 270.0 bn ^{*3}	Apr 2018
	Issuance of domestic unsecured straight bonds (Rollover for JPY 400.0 bn of #43 Bond; not guaranteed by subsidiaries)	JPY 450.0 bn	Jun 2018
	New senior loan agreement by SoftBank Corp. (SBKK) ^{*4} and partial repayment of senior loan before maturity by SBG	JPY 1.6 tn each	Aug 2018

*1 Includes the sold investment

*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 Exchange rate on each press release is applied.

*4 SBKK indicates SoftBank Corp. hereinafter.



Listing of SoftBank Corp.

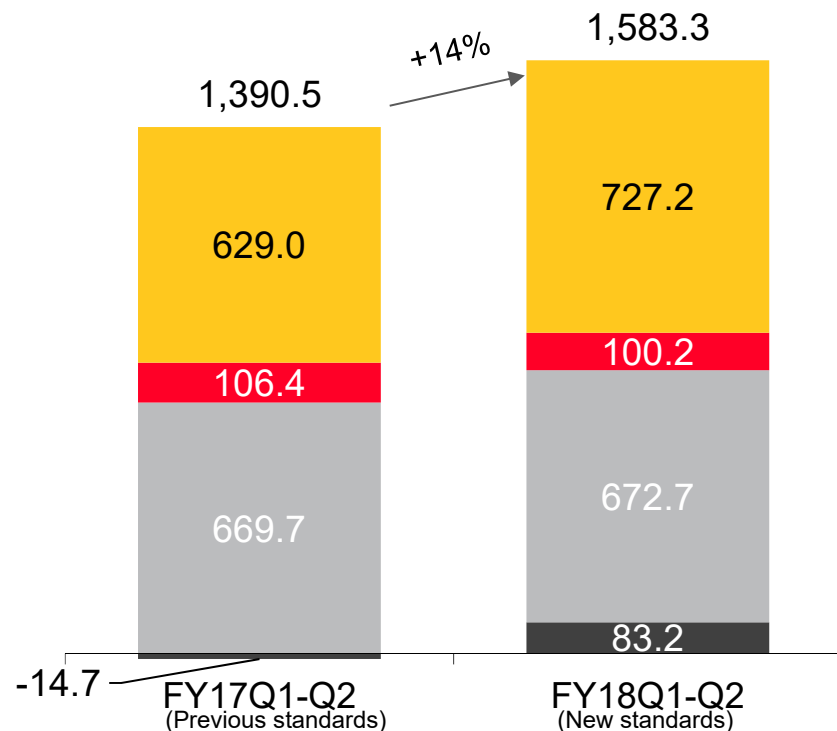
- SBG to secure multiple ways of financings
- Shareholder value of SBKK to be apparent

Adjusted EBITDA and Adjusted EBITDA Margin (1)

Consolidated adjusted EBITDA has been stable.

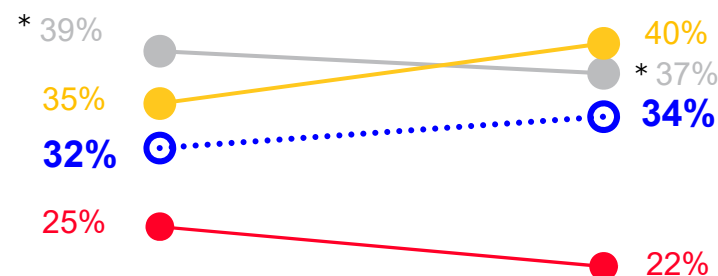
Adjusted EBITDA

(JPY bn) ■ Others ■ SoftBank Seg. ■ Yahoo Seg. ■ Sprint Seg.



Adjusted EBITDA Margin

●●● Consolidated ● SoftBank Seg.
● Yahoo Seg. ● Sprint Seg.



*The margin for SoftBank segment would have been flattish yoy if the new standards are applied to FY17Q1-Q2**

**Non-audited referential number

* Following the changes in segment classification in FY18Q1, SoftBank segment results for FY17Q1-Q2 were retroactively adjusted (SoftBank Commerce & Service Corp. previously classified under the Distribution segment, has been added to the former Domestic Telecommunications segment to establish the SoftBank segment). which was

* "Others" of Adjusted EBITDA includes "Arm segment", "SoftBank Vision Fund and Delta Fund segment" and "Brightstar segment" (changed from "Distribution segment")

* Adjusted EBITDA of the segments other than the SoftBank Vision Fund and Delta Fund segment = segment income + depreciation and amortization ± other adjustments
Adjusted EBITDA of SoftBank Vision Fund and Delta Fund segment = segment income + depreciation and amortization ± adjustments relating to investments in SoftBank Vision Fund and Delta Fund (unrealized gain and loss on valuation of investments +effect of foreign exchange translation)

* Adjusted EBITDA margin = adjusted EBITDA / net sales

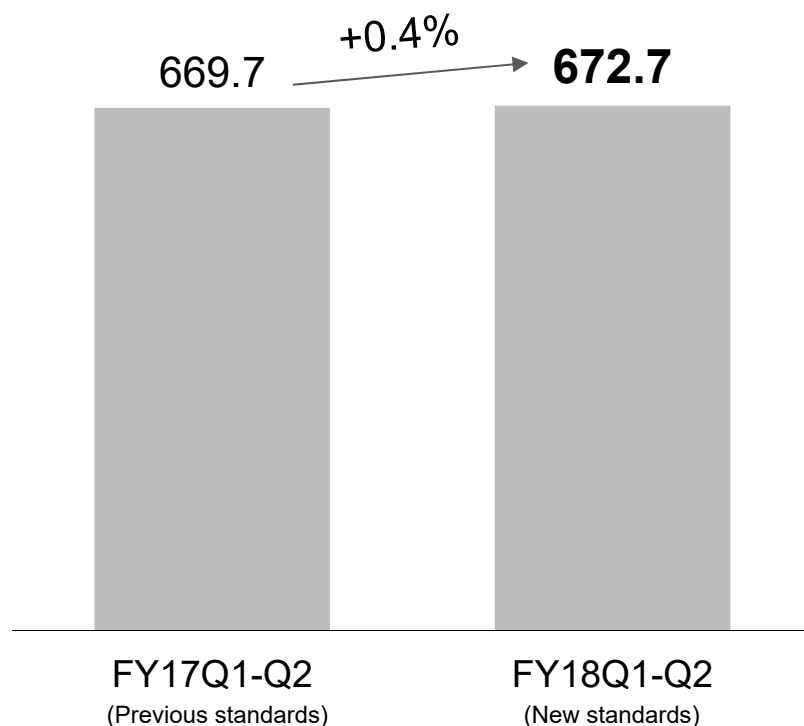
Adjusted EBITDA and Adjusted EBITDA Margin (2)



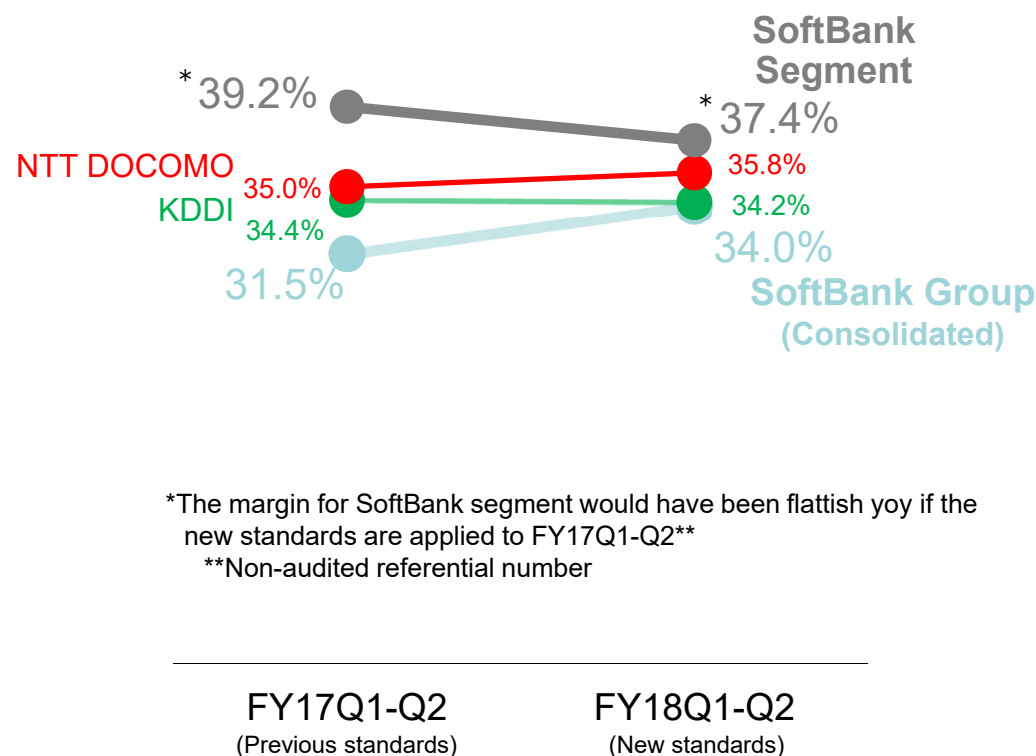
SoftBank segment has sustained high margin.

Adjusted EBITDA (SoftBank segment)

(JPY bn)



Adjusted EBITDA margin



*The margin for SoftBank segment would have been flattish yoy if the new standards are applied to FY17Q1-Q2**

**Non-audited referential number

* Following the changes in segment classification in FY18Q1, SoftBank segment results for FY17Q1-Q2 were retroactively adjusted (SoftBank Commerce & Service Corp., previously classified under the Distribution segment, has been added to the former Domestic Telecommunications segment to establish the SoftBank segment).

* Adjusted EBITDA of the SoftBank Group (Consolidated) = operating income + depreciation and amortization ± adjustments relating to investments in SoftBank Vision Fund and Delta Fund ± other adjustments
Adjusted EBITDA of SoftBank segment = segment income + depreciation and amortization ± other adjustments

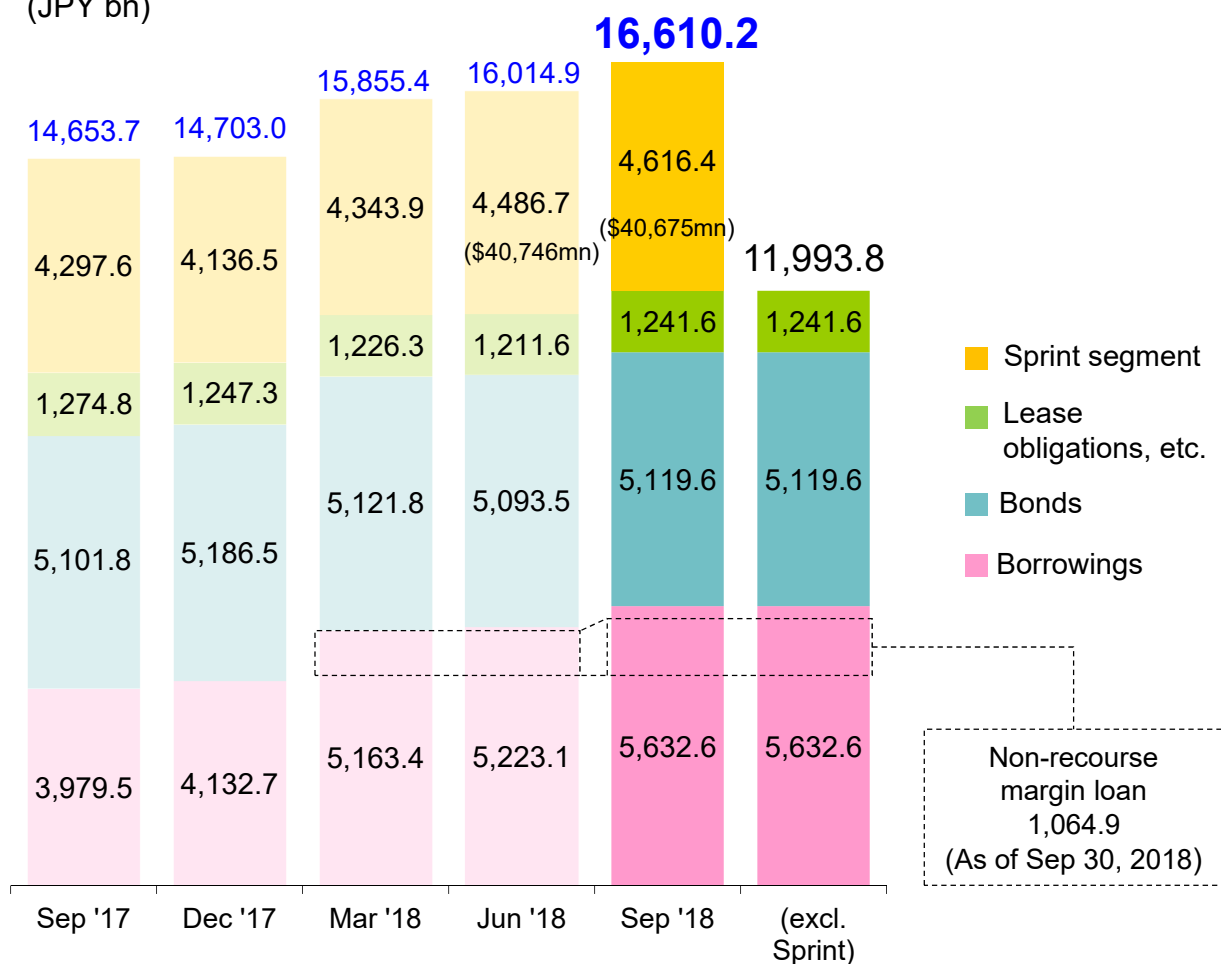
* Adjusted EBITDA margin = adjusted EBITDA / net sales

* Source: Prepared by SBG using data of each company. NTT DOCOMO and KDDI based on IFRSs. (FY17Q1-Q2 result for NTT DOCOMO is retroactively adjusted following the change in its accounting standards to IFRSs in FY18Q1)

Interest-bearing Debt (by Sprint / source of funding)

Increased due to forex rate change and new borrowings

(JPY bn)



*1 The presented net interest-bearing only includes debts to third-parties.

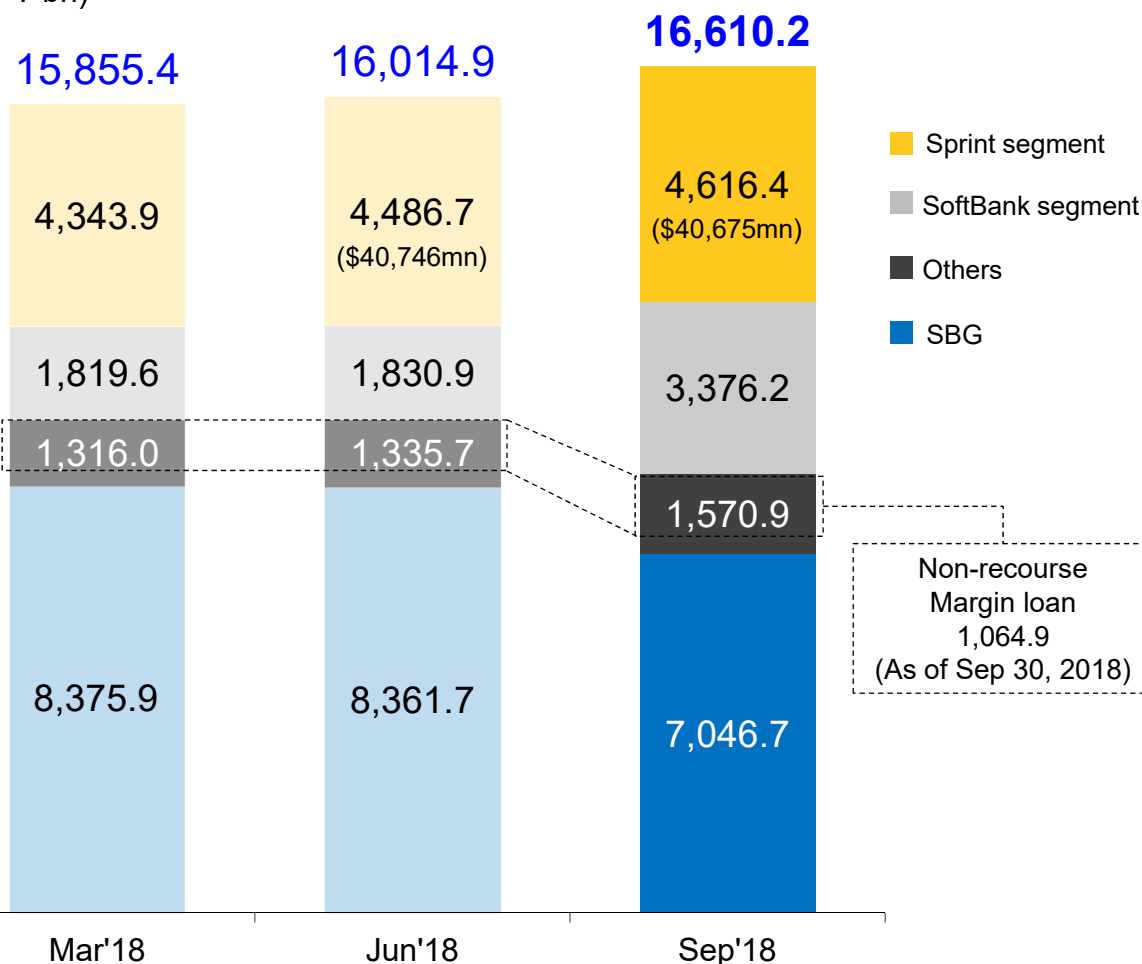
* The presented interest-bearing debt excludes financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares (JPY 741.7 bn as of Sep 18), interest-bearing debt at SoftBank Vision Fund and Delta Fund (JPY 635.9 bn as of Sep 18) and deposits for banking business at The Japan Net Bank (JPY 738.7 bn as of Sep 18).

Sprint segment ^{*1}	4,616.4	Major changes from Jun 2018
Borrowings	1,624.9	+54.3 (forex)
Bonds	2,963.1	+76.6 (forex)
Other	28.4	
Lease Obligation etc.	1,241.6	
SBKK lease obligation etc.	1,103.8	
Other	137.7	
Bonds	5,119.6	
Straight bonds	2,334.0	
Subordinated bonds	1,305.7	
Foreign currency-denominated bonds	1,479.9	
Borrowings	5,632.6	
SBG borrowings		
Bank loan	1,629.6	-1,506.3 (early repayment)
Others	402.8	
SBKK borrowings		
Bank loan	1,515.1	+1,515.1 (new senior loan)
securitization of installment receivables	628.6	
Borrowings at other subsidiaries	1,456.7	+153.0 (margin loan)

Interest-bearing Debt (by entity)

(JPY bn)

(JPY bn)



Sprint* ¹	4,616.4	Major changes from Jun 2018
Borrowings	1,624.9	+54.3 (forex)
Bonds	2,963.1	+76.6 (forex)
Others	28.4	
SoftBank segment*¹	3,376.2	
SBKK debt		
Bank loan	1,515.1	+1,515.1 (new senior loan)
Securitization of installment receivables	628.6	
Lease obligation etc.	1,103.8	
Other subsidiaries debt	128.6	
Others	1,570.9	
Borrowings (Incl. margin loan)	1,449.7	+153.0 (margin loan)
Bonds	105.0	
Lease obligation etc.	16.2	
SBG	7,046.7	
Borrowings		
Bank loan	1,629.6	-1,506.3 (repaid before maturity)
Others	402.8	
Bonds	5,014.6	

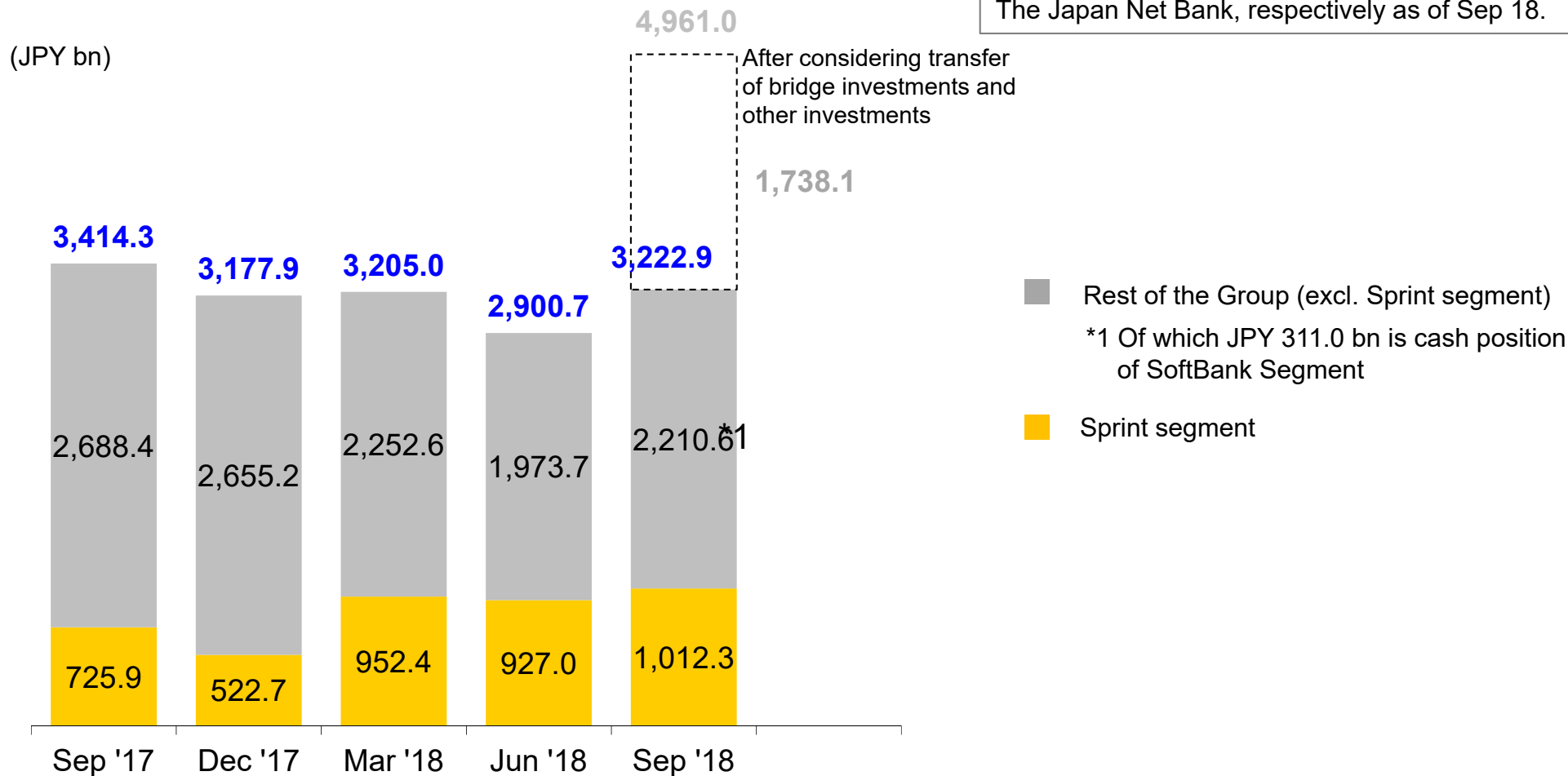
*1 The presented net interest-bearing only includes debts to third-parties.

* The presented interest-bearing debt excludes financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares (JPY 741.7 bn as of Sep 18), interest-bearing debt at SoftBank Vision Fund and Delta Fund (JPY 635.9 bn as of Sep 18) and deposits for banking business at The Japan Net Bank (JPY 738.7 bn as of Sep 18).

Cash Position

Maintaining high level of cash

Excludes cash position of JPY 115.9 bn at SoftBank Vision Fund and Delta Fund and JPY 360.7 bn at The Japan Net Bank, respectively as of Sep 18.



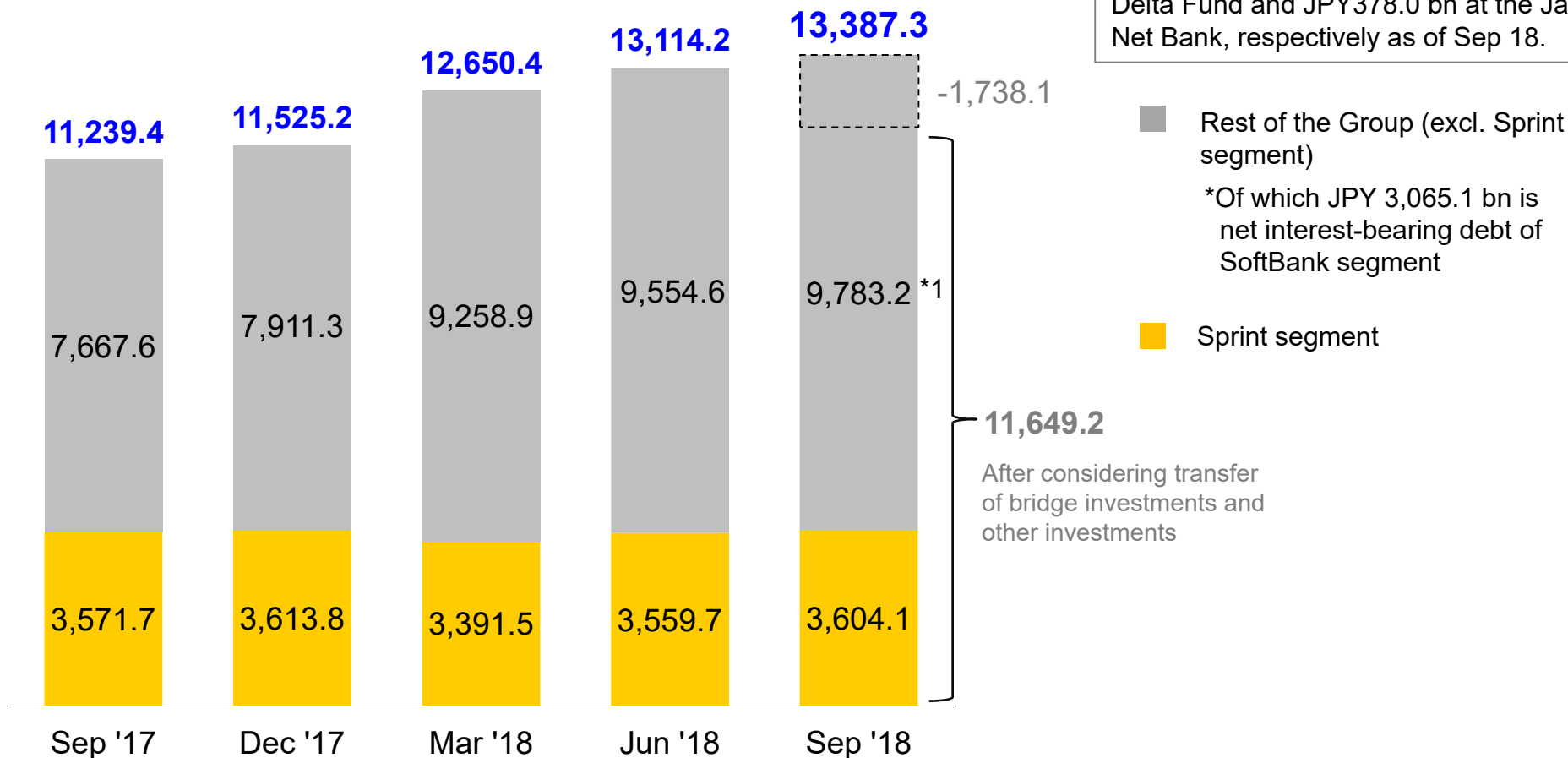
* Cash position = cash and cash equivalents + short-term investments recorded as current assets

Net Interest-bearing Debt

No significant change from FY18Q1

(JPY bn)

Excludes net interest-bearing debt of JPY520.0 bn at SoftBank Vision Fund and Delta Fund and JPY378.0 bn at the Japan Net Bank, respectively as of Sep 18.



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

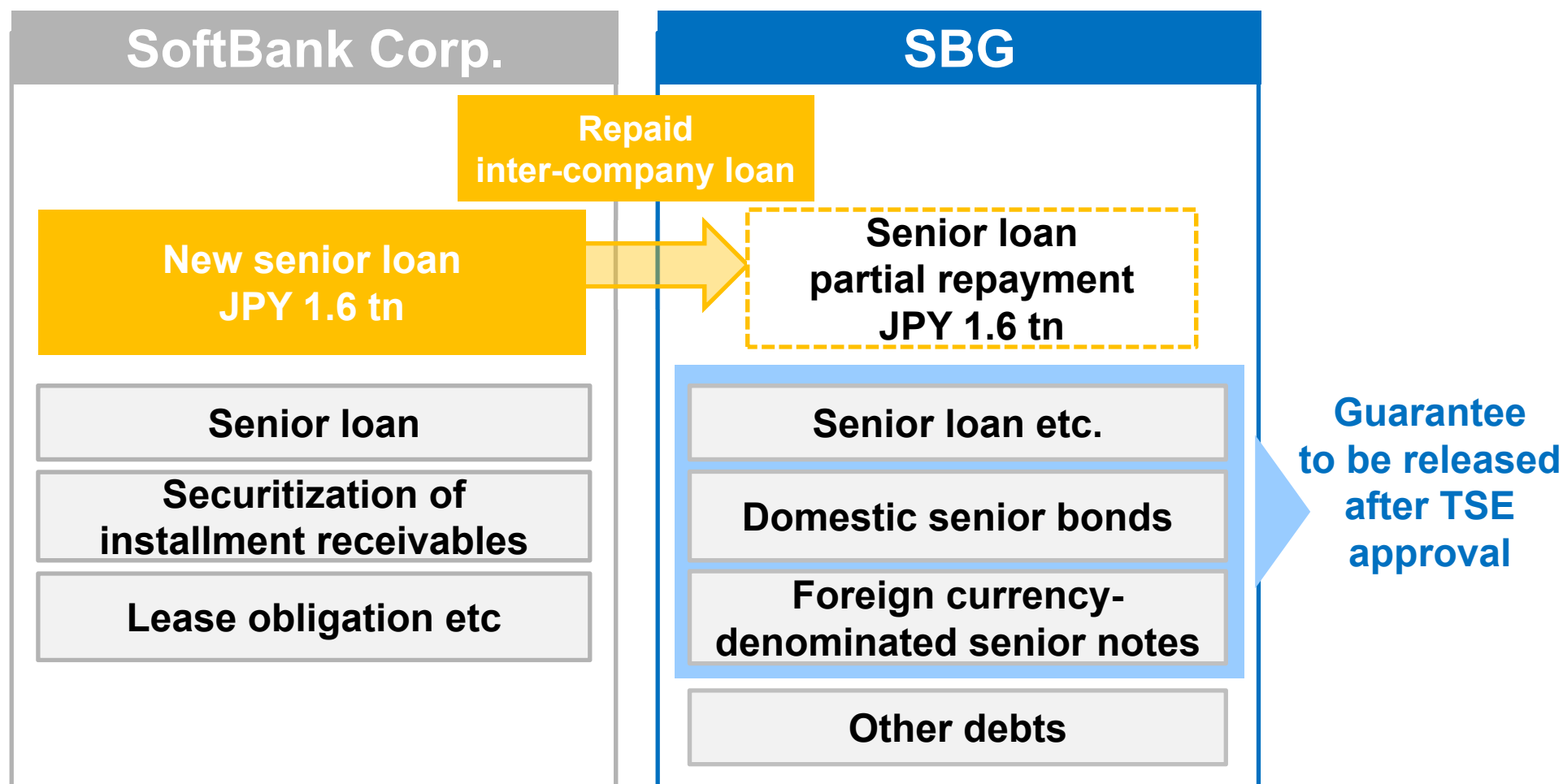
* The presented net interest-bearing debts only includes debts to third-parties

* The presented net interest-bearing debt excludes 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.

Debt Restructuring for Listing of SoftBank Corp.

Restructuring of senior loan for listing of SoftBank Corp.

Guarantees to SBG debts to be released following the approval by the Tokyo Stock Exchange on the listing of SoftBank Corp. shares.



Leverage Ratio and Investment Asset Value (LTV)



Leverage Ratio

SoftBank Segment



Investment Asset Value (LTV)

Holding Company (Other Businesses)

<Equity holdings>



$$\frac{\text{Net interest-bearing debt (JPY 3.07 tn)}}{\text{Adjusted EBITDA (JPY 1.20 tn)}} = 2.6x$$

$$\frac{\text{Net interest-bearing debt (JPY 5.21 tn)}}{\text{Equity value of shareholdings (JPY 20.08 tn)}} = 25.9\%$$

31.6%
Before considering transfer of bridge investments and other investments

* Net interest-bearing debt: as of September 30, 2018. See below for details.
* Adjusted EBITDA: LTM (October 2017 – September 2018)

* Net interest-bearing debt: as of September 30, 2018. See below for details.
* Equity value of shareholdings: Market value as of November 1, 2018 for listed companies. See below for other details.

Consolidated net interest-bearing debt

SoftBank Segment



**Net interest-bearing debt/
EBITDA**

Holding Company



**LTV
(Net interest-bearing debt/
Equity value of shareholdings)**

Major consolidated subsidiaries
Sprint, Yahoo, SoftBank Vision Fund, etc.



Self-controlled finance

Supplemental (2) Calculation of Leverage Ratio

SoftBank Segment
 SoftBank_{KK}

$$\frac{\text{(a) Net interest-bearing debt JPY 3.07 tn}}{\text{Adjusted EBITDA JPY 1.20 tn}} = 2.6x$$

(JPY tn)

Interest-bearing debt	3.38
Bank loan	1.52
Securitization of receivables	0.63
Lease obligation etc.	1.23
Cash position	0.31
SoftBank segment Net interest-bearing debt	(a) 3.07

* Net interest-bearing debt as of September 30, 2018.

* The presented net interest-bearing only includes debts to third-parties.

* Adjusted EBITDA: LTM (October 2017 – September 2018)

Supplemental (3) Calculation of Investment Asset Value (LTV)

Holding Company
(Other Businesses)
<Equity Holdings>

(b) Net interest-bearing debt	JPY 5.21 tn	=	25.9%
(c) Equity value of shareholdings	JPY 20.08 tn		31.6%
			(Before considering transfer of bridge investments and other investments)

			(JPY tn)
Consolidated net interest-bearing debt^{*1*2}	13.39	Market cap of listed shares^{*4}	14.56
– SoftBank segment	-3.07	Alibaba	11.28
– Sprint	-3.60	Sprint	2.44
– Yahoo (net cash)	0.10	Yahoo	0.79
– Arm (net cash)	0.17	Other listed share	0.05
Net interest-bearing debt at Holding Company	6.99	Arm (Acquisition cost – shares contributed)	2.79
– Future proceeds from sale of Supercell shares	-0.02	Acquisition cost	3.70
+ USD Hybrid Notes issued in Jul '17 ^{*3}	0.25	Shares contributed to SoftBank Vision Fund	-0.91
– JPY Hybrid Bonds issued in Sep '16	-0.23	Investment assets under SoftBank Vision Fund^{*5}	1.50
– JPY Hybrid Loan executed in Nov '17	-0.04	+Transfer of bridge investments and other investments^{*6}	0.60
– Cash reimbursement by transfer of bridge investments and other investments	-1.74	Others^{*7}	3.07
Other adjustments	-1.78	-Transfer of bridge investments and other investments^{*8}	-2.45
Adjusted net interest-bearing debt at Holding Company	(b) 5.21	Equity value of shareholdings	(c) 20.08

*1 The presented interest-bearing debt excludes 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 deposits for banking business.

*2 The presented net interest-bearing only includes debts to third-parties.

*3 50% of percent of outstanding amount, which is recorded as equity in consolidated B/S, is treated as debt.

*4 Market value as of November 1, 2018. FX rate as of November 1, 2018 (USD1=JPY112.79)

*5 SBG interests of fair value of investment assets held by SoftBank Vision Fund and Delta Fund net of interest-bearing debt at SoftBank Vision Fund.

*6 SBG interests of fair value of investments after considering the transfer to SoftBank Vision Fund from SBG.

*7 Total carrying amount of investments recorded in B/S at the fair value as of September 30, 2018.

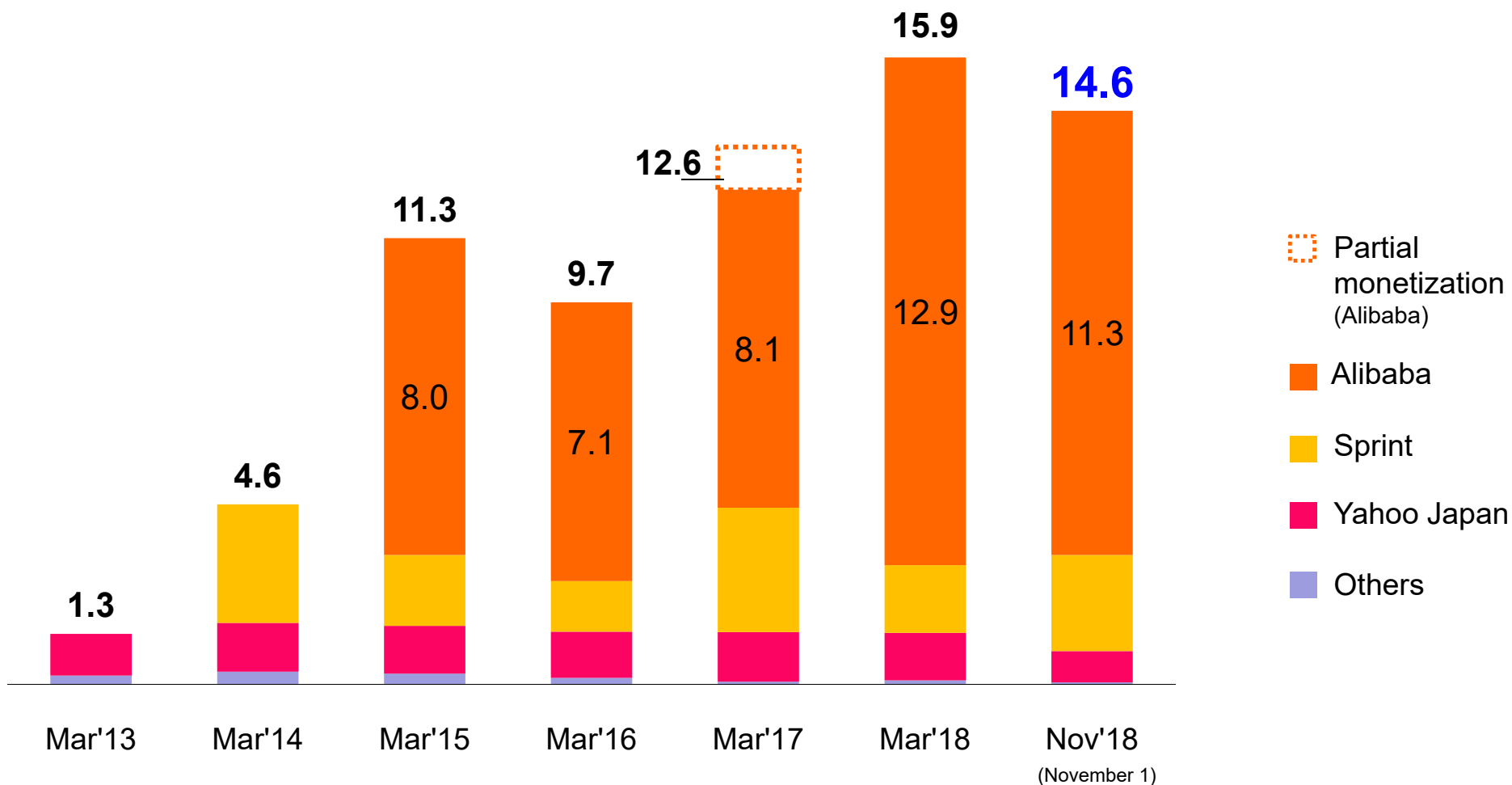
*8 The fair value of investments after considering the transfer to SoftBank Vision Fund from SBG.

Market Cap: Major Listed Shareholdings of SBG and Its Wholly-owned Subsidiaries



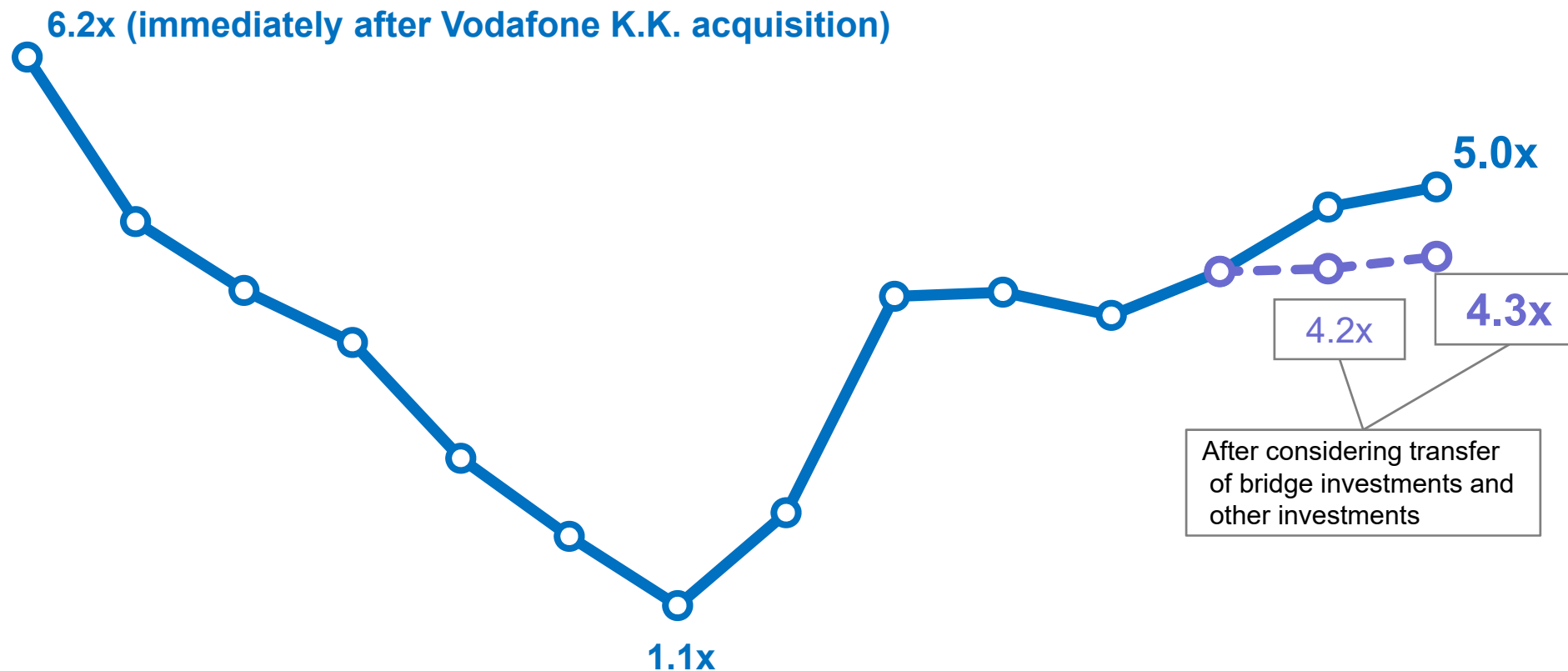
Market value of listed shareholdings amounted to JPY 14.6 tn.

(JPY tn)



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

Net Leverage Ratio (Consolidated)



Jun '06 Mar '07 Mar '08 Mar '09 Mar '10 Mar '11 Mar '12 Mar '13 Mar '14 Mar '15 Mar '16 Mar '17 Mar '18 Sep '18

- * Net leverage ratio = net interest-bearing debt / adjusted EBITDA
- * Until FY2011: JGAAP, including finance leases and preferred securities.
- * Adjusted EBITDA for March 2015 has been revised retroactively due to GungHo becoming an equity method associate. Adjusted EBITDA for March 2016 includes Supercell.
- * Arm's adjusted EBITDA for March 2017 is annualized.
- * 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.
- * The presented interest-bearing debt excludes 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. 50% of the Hybrid Bonds (issued in Sep 2016) and Hybrid Loan (borrowed in Nov 2017) are treated as equity in calculation. 50% of the Hybrid Notes (issued in Jul 2017; all of amount booked as equity in consolidated financial statements) is treated as interest-bearing debt in calculation.

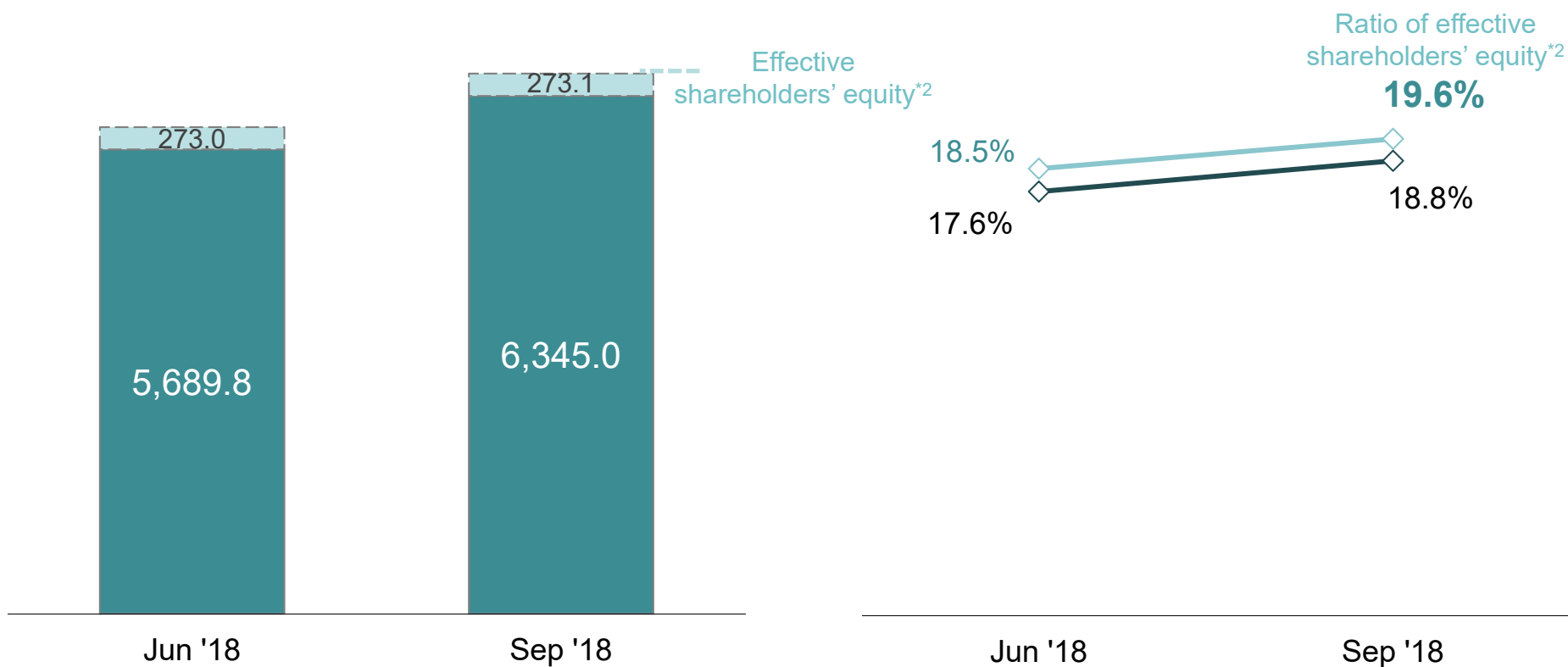
Shareholders' Equity Ratio

Consistently improved

Shareholders' equity ^{*1}

Shareholders' equity ratio

(JPY bn)

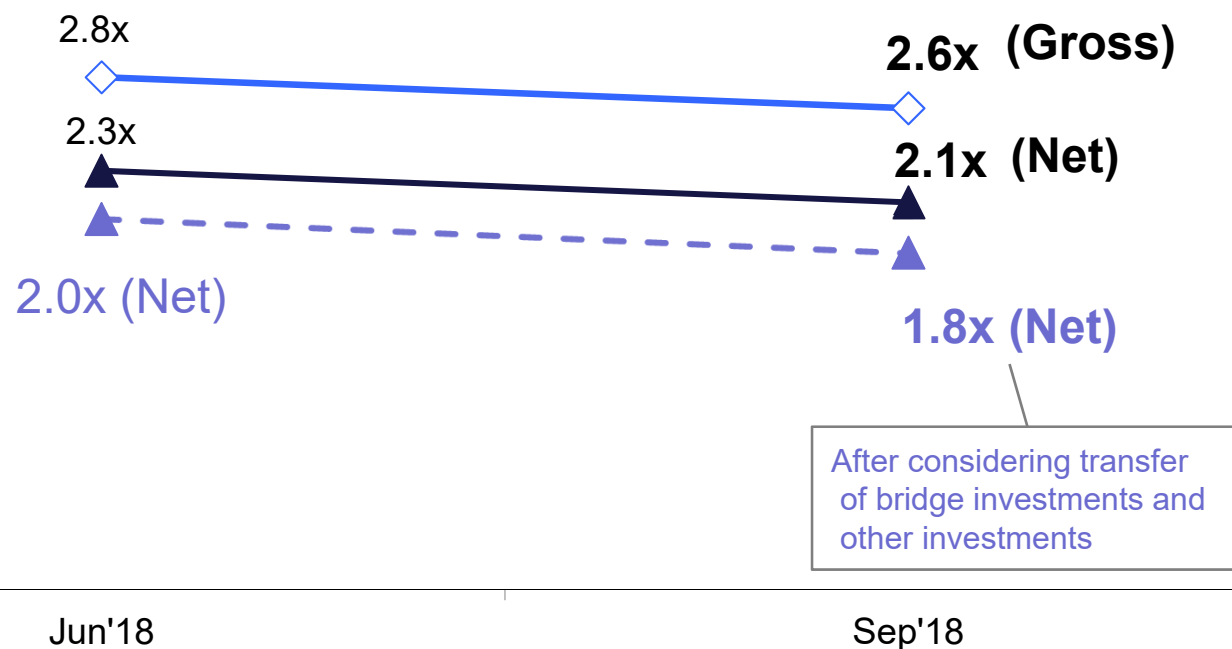


*1 Shareholders' equity = equity attributable to owners of the parent

*2 Referential number after considering adjustments related to Hybrid Notes issued in July 2017 and Hybrid Loan executed in November 2017

Debt / Equity Ratio

Debt / equity ratio (gross / net)



* Debt / equity ratio = interest-bearing debt / equity attributable to owners of the parent (shareholders' equity after considering adjustments related to hybrid bonds issued in September 2016 and hybrid notes issued in July 2017 and hybrid loan borrowed in November 2017)

* Net debt/ equity ratio = net interest-bearing debt /equity attributable to owners of the parent (shareholders' equity after considering adjustments related to hybrid bonds issued in September 2016 and hybrid notes issued July 2017 and hybrid loan borrowed in November 2017)

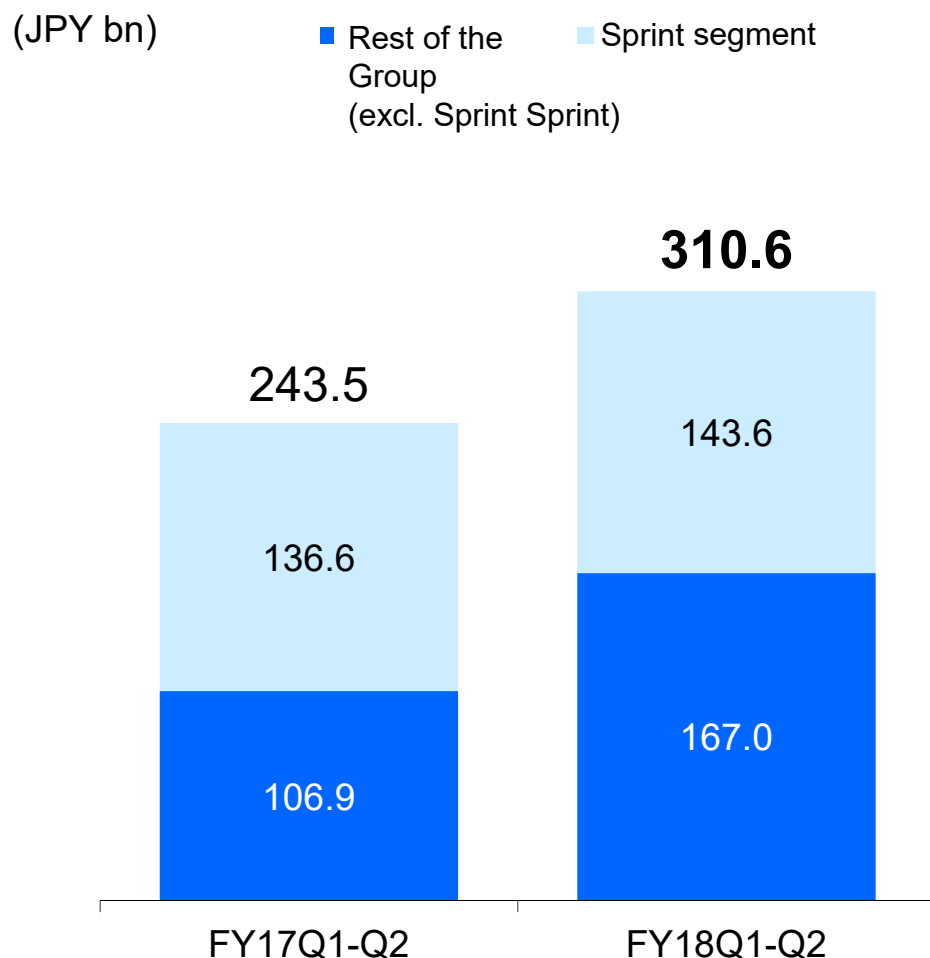
* The interest-bearing debt used for calculation excludes financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares, net interest-bearing debt at SoftBank Vision Fund and Delta Fund and net interesting-debt (deposits for banking business – cash position) at The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

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

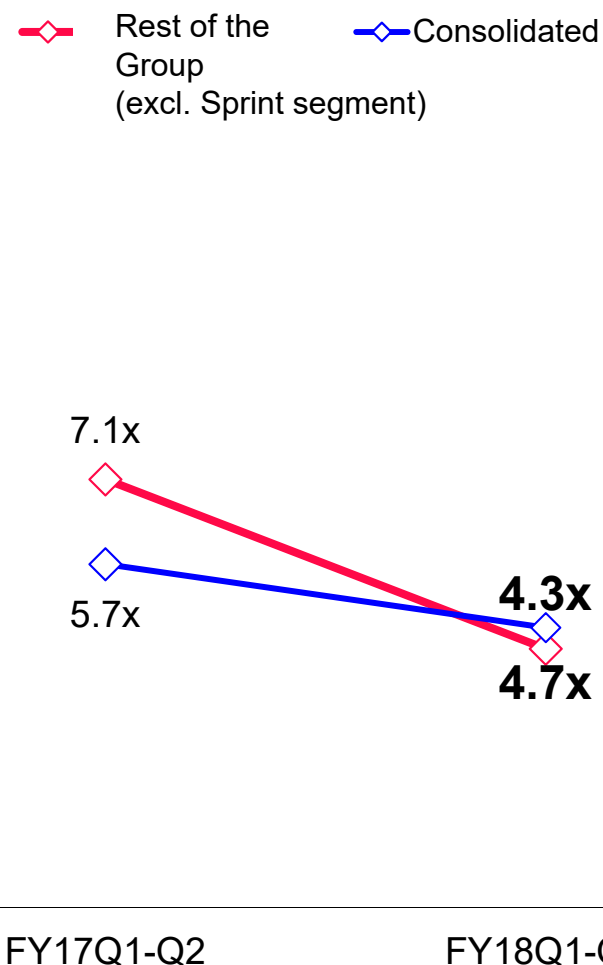
Interest Expense

Increased due to one-off cost for early repayment of senior loan and issuance of foreign currency-denominated senior notes and margin loan.

Interest expense (finance cost)^{*1}



Interest coverage ratio^{*2}



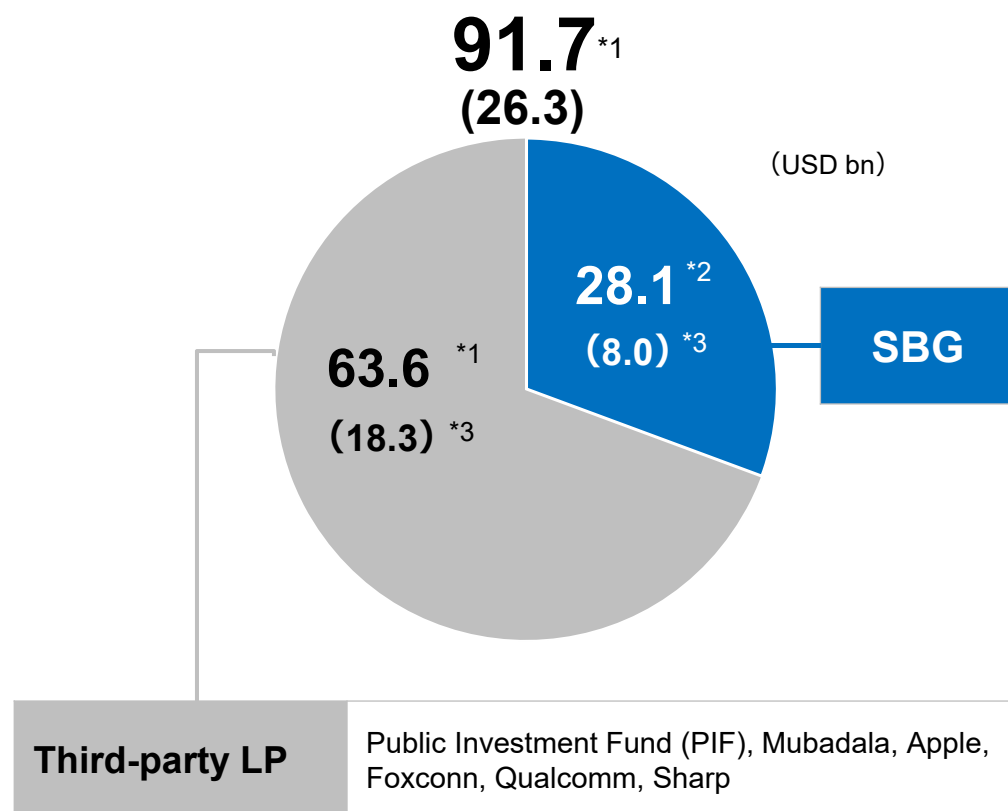
*1 Interest expense (finance cost) excludes that of SoftBank Vision Fund and Delta Fund.

*2 Interest coverage ratio = adjusted EBITDA / interest expense (finance cost), both exclude those of SoftBank Vision Fund and Delta Fund

Capital Commitment to SoftBank Vision Fund

<Capital Commitment (as of Sep. 30, 2018)> Numbers in brackets represent amounts contributed

SoftBank Vision Fund



*1 A portion of the capital committed by third-party investors in 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 fund will change according to the status of contribution by third-party investors in each fund.

*2 The amount includes approximately \$8.2 bn of obligation to be satisfied by using 24.99% of Arm Limited shares.

*3 \$1.7bn of \$18.3bn contributed by third-party LP, and \$0.8bn of \$8.0bn contributed by SBG were refunded at an exit of investment after contribution was made.

Main Investment Portfolio of SoftBank Vision Fund

67 companies

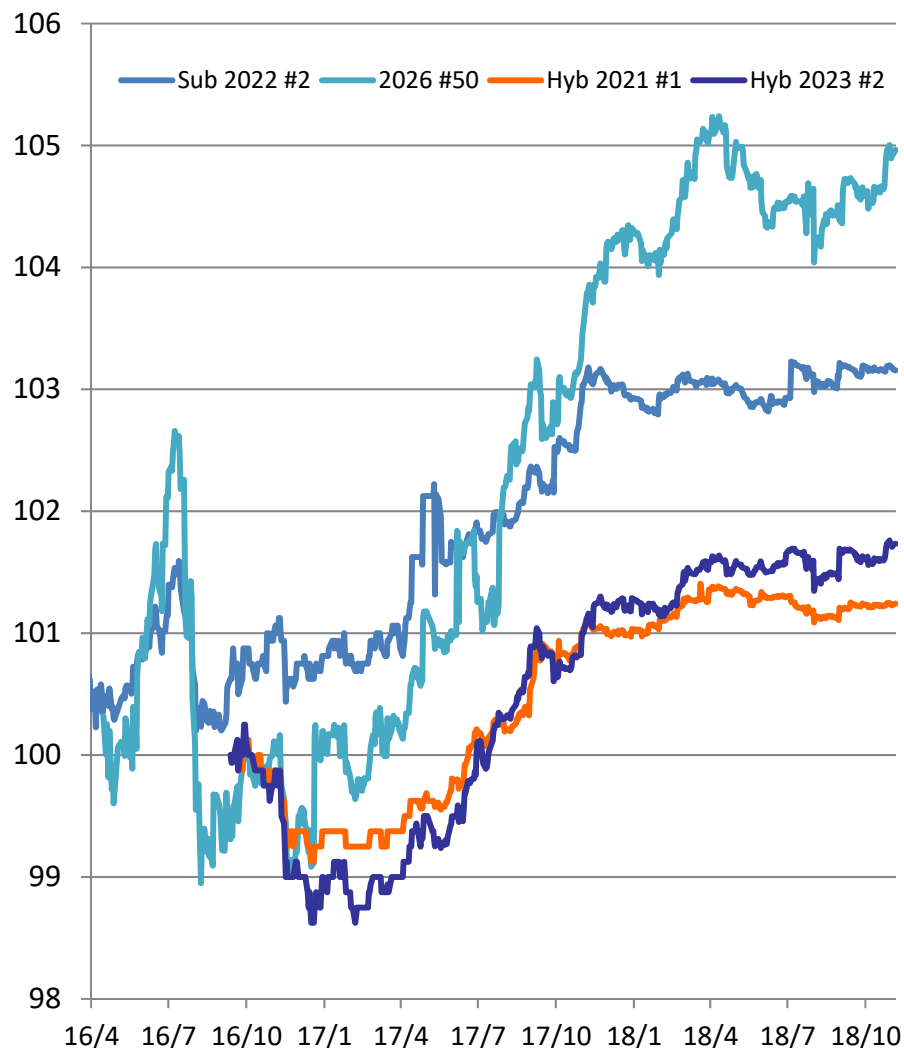
(as of November 5, 2018)

The investments presented herein are solely for illustrative purposes and are not a complete list of investments held by SoftBank Vision Fund. Disclosed aggregate number of "67 companies" includes the existing SVF investments and pipelines for upcoming investments excluding JVs among portfolio companies and SVF.

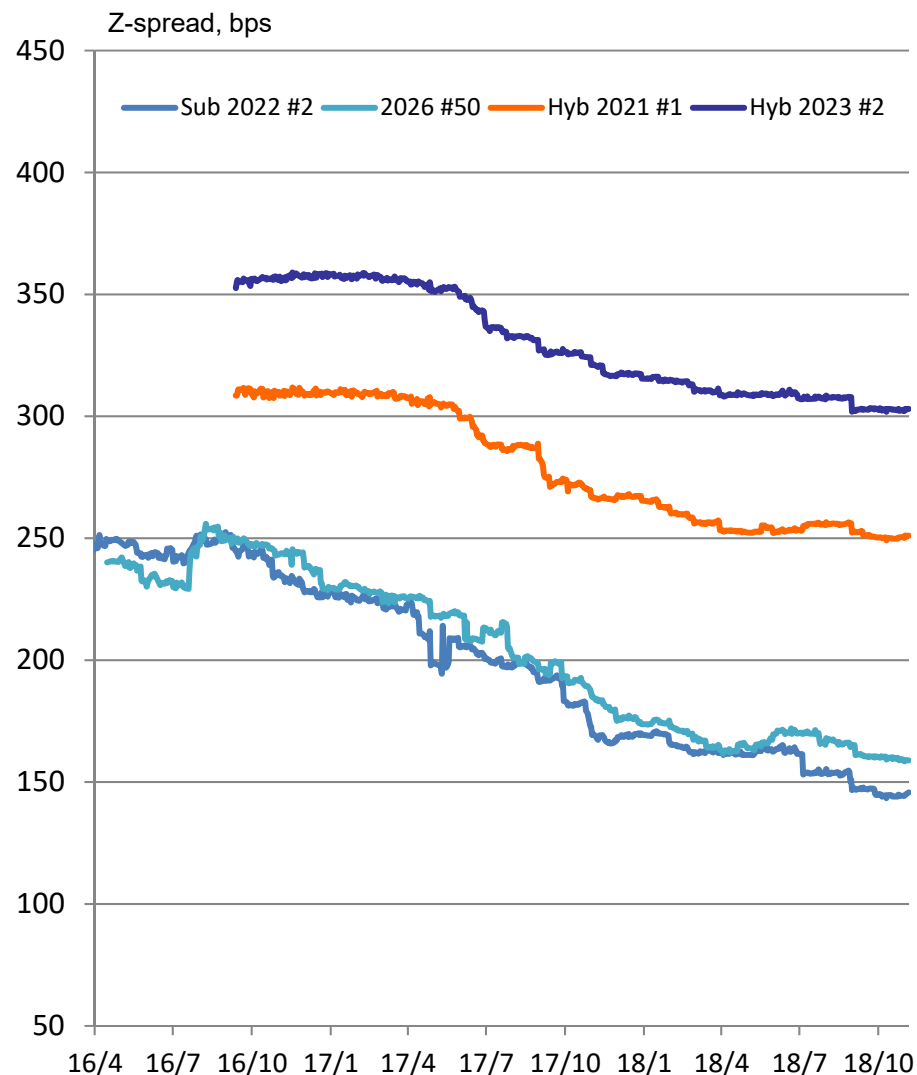
Certain "SoftBank Vision Fund" investments described herein have not yet been acquired by SVF and are subject to pending regulatory approvals. There can be no assurance that any pending acquisition will be consummated at all or on the current terms of the agreement.

SBG: Price and Spread of JPY Notes

Price



Spread

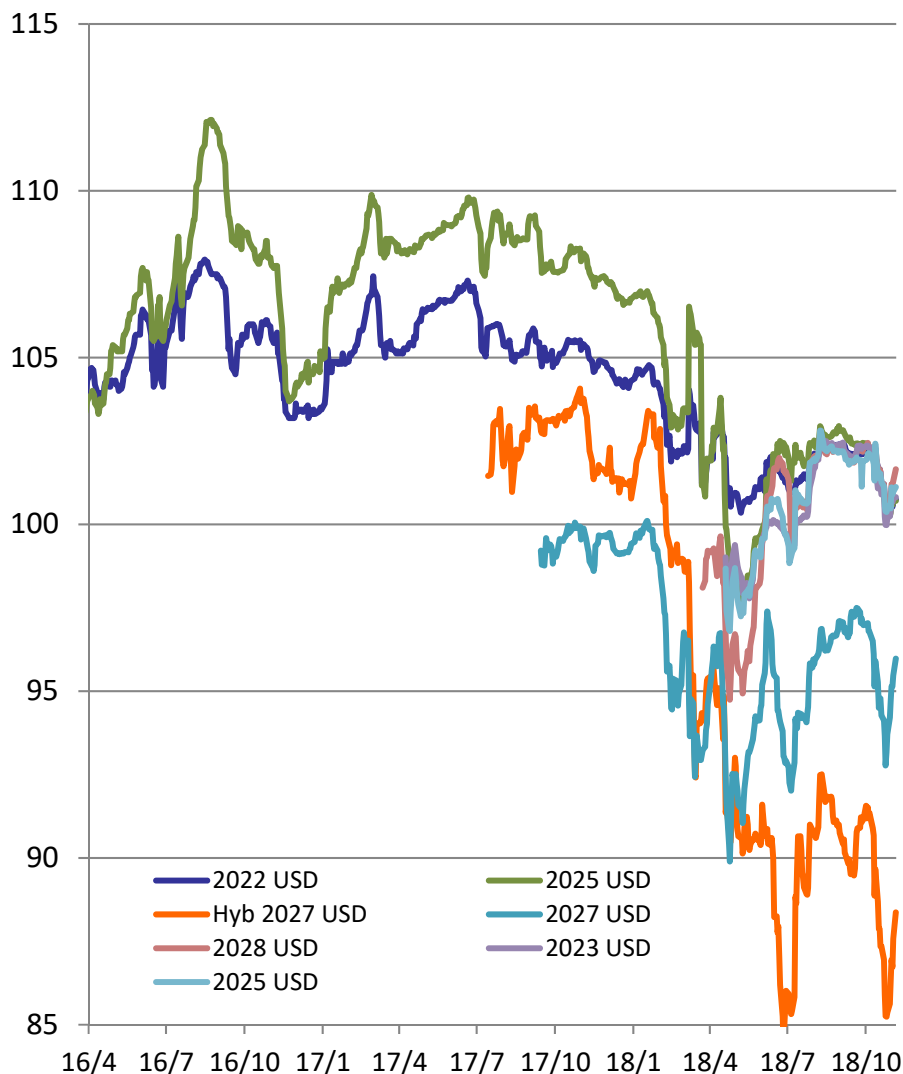


* Prepared by SBG based on Bloomberg data. As of November 5, 2018.

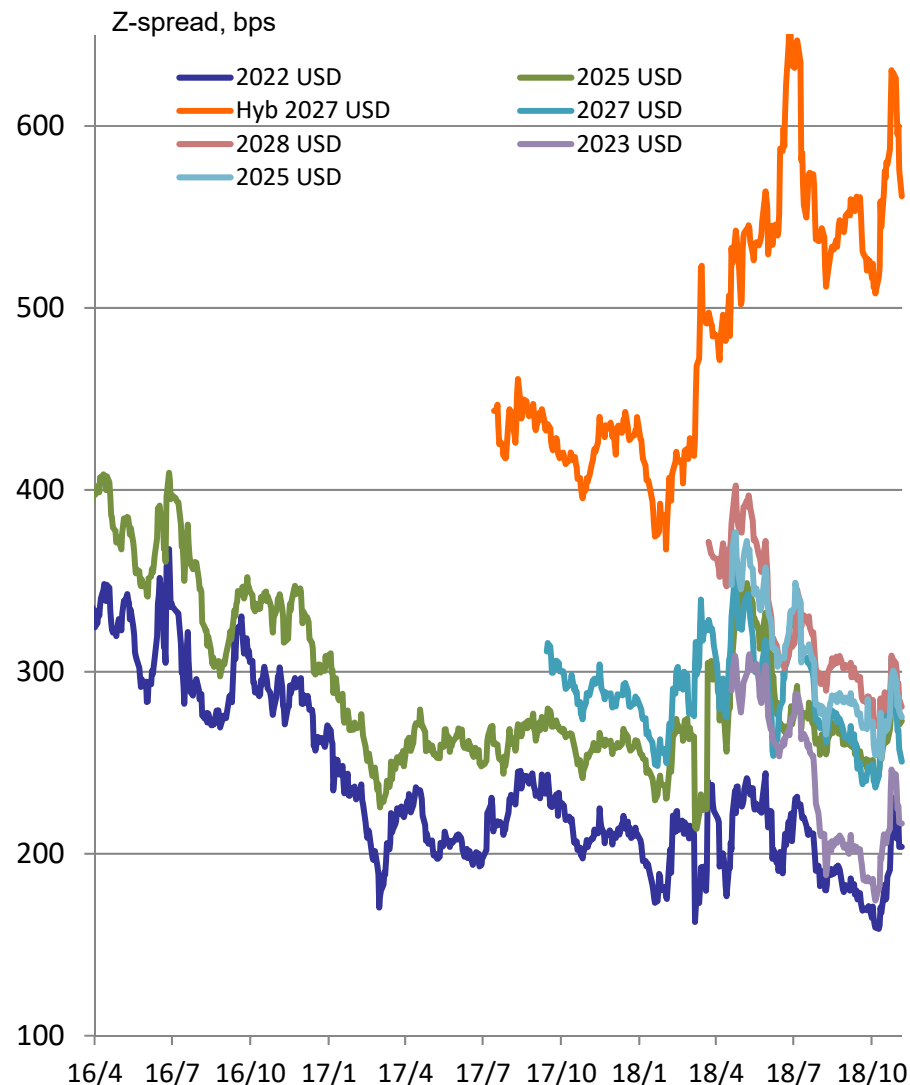
* Maturity years for on Hybrid Notes refer to years for the first calls.

SBG: Price and Spread of Foreign Currency Notes

Price (USD denominated notes)



Spread (USD denominated notes)

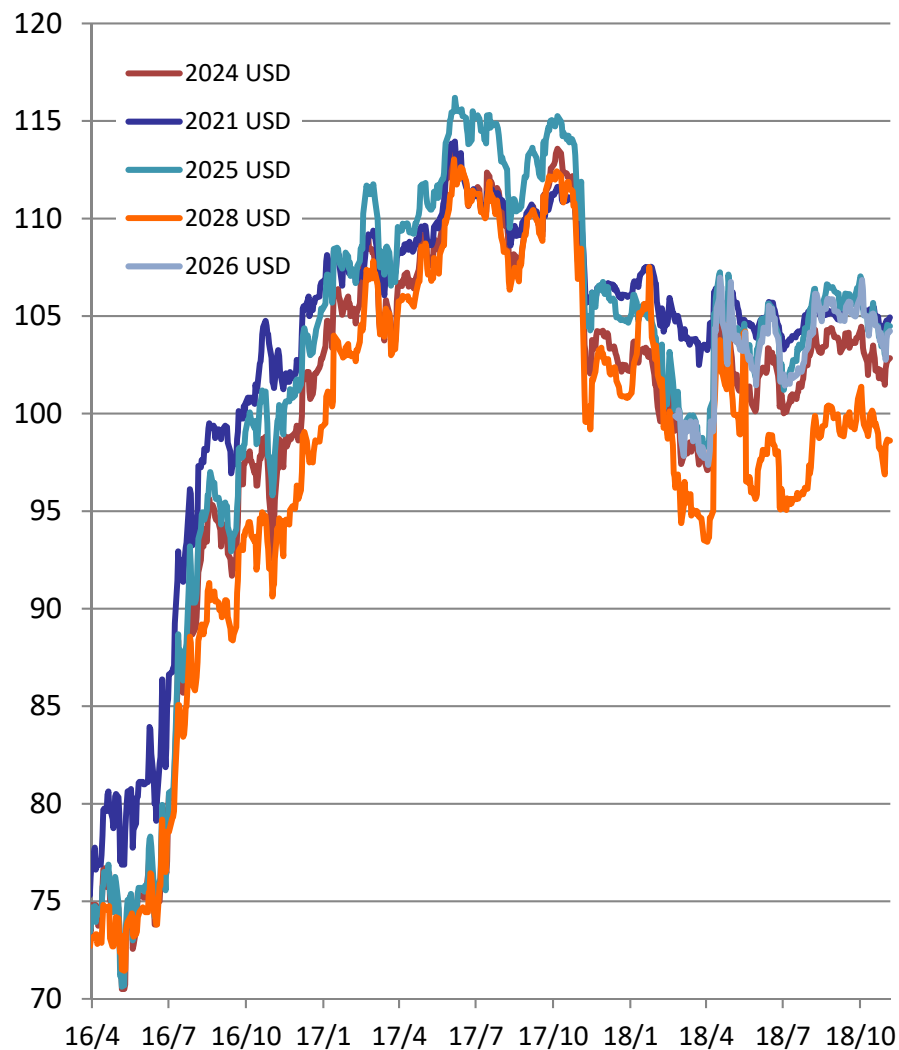


* Prepared by SBG based on Bloomberg data. As of November 5, 2018.

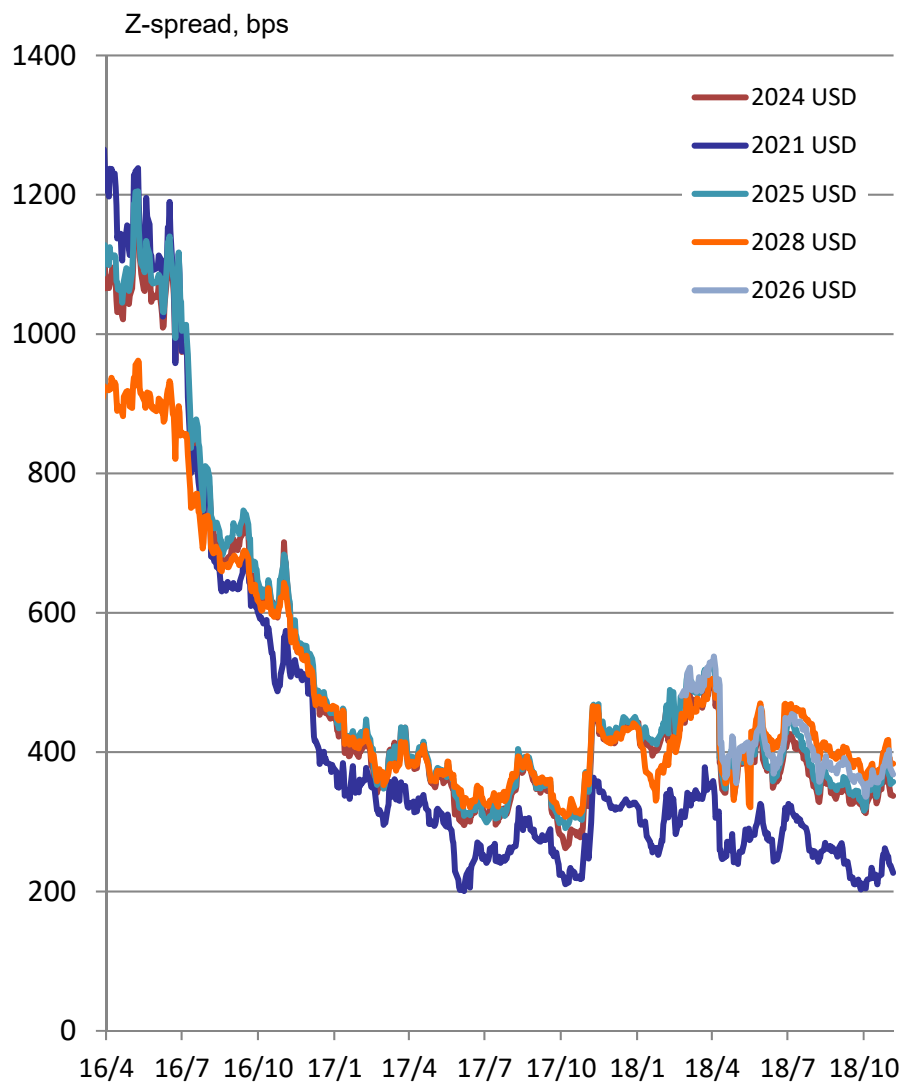
* Maturity years for on Hybrid notes refer to years for the first calls.

Sprint: Price and Spread

Sprint senior notes price



Sprint senior notes spread



* Prepared by SBG based on Bloomberg data. As of November 5, 2018.

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

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 around 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 recovery of investments, new investments, and debt repayments
- Proactively utilize non-recourse, asset-backed finance

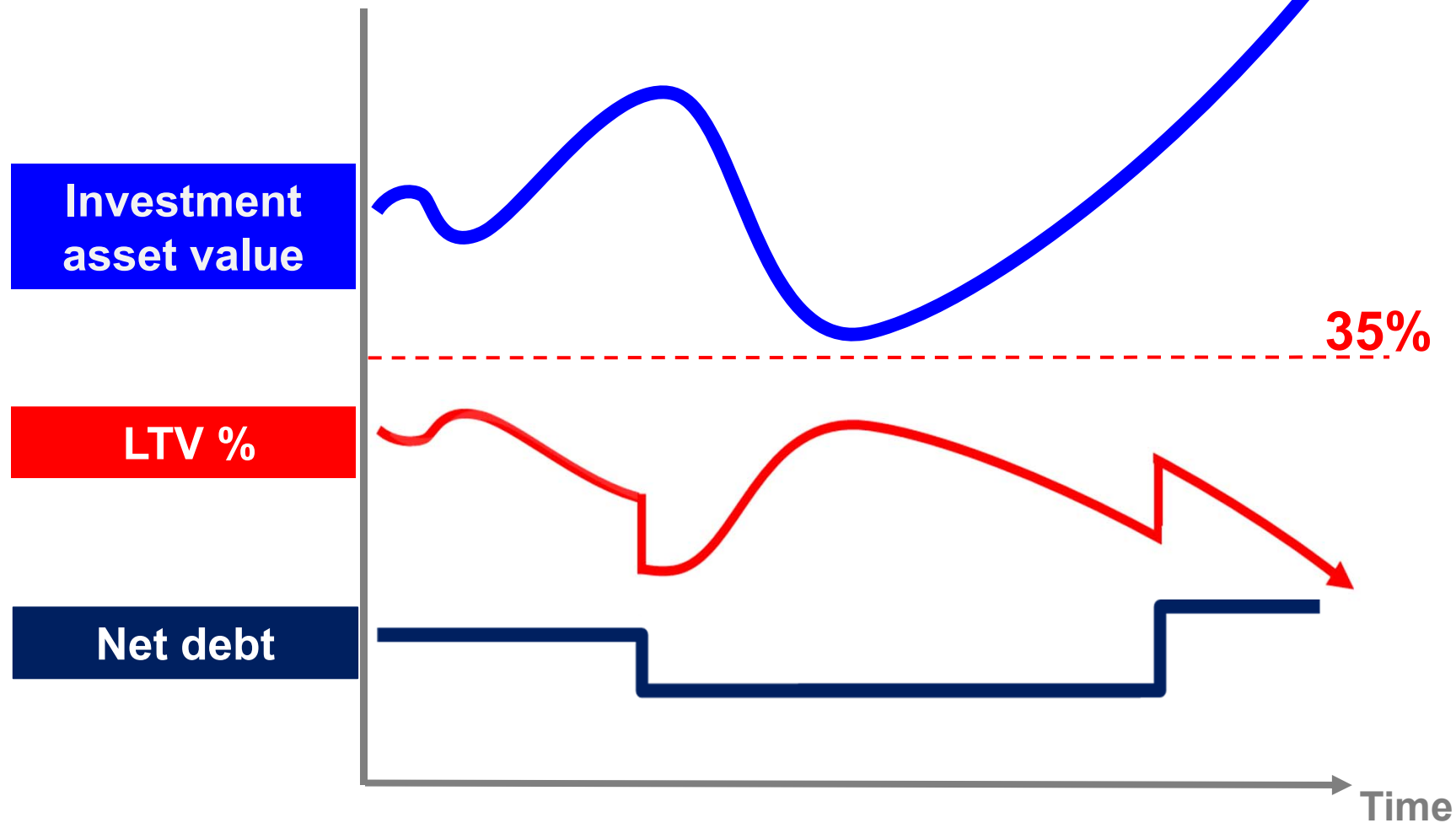
Relationship with stakeholders

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

Maintain various options for servicing debts

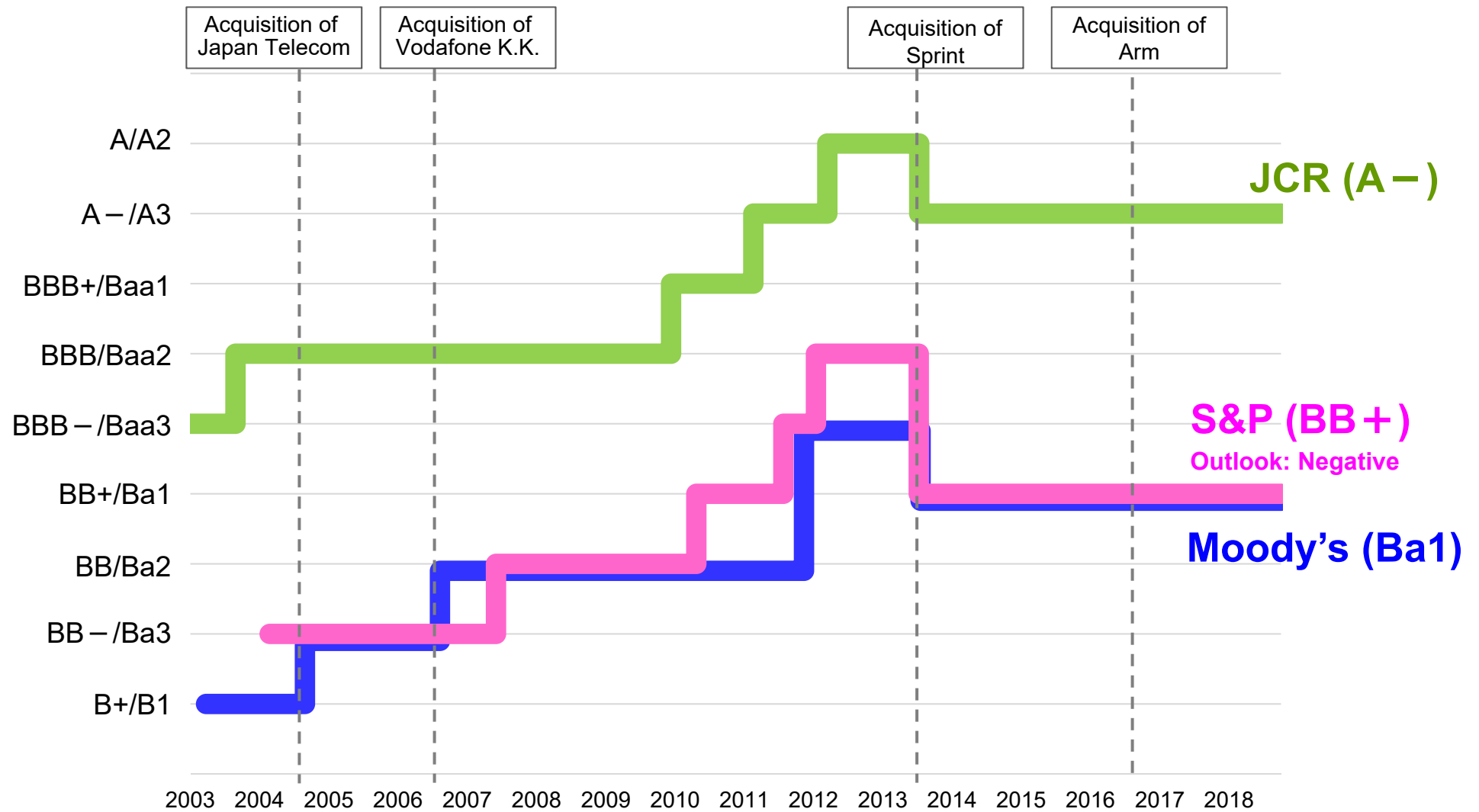
Expected Financial Management (illustrative)

- Seek to maximize enterprise value by maintaining optimal leverage through appropriate LTV management
- LTV expected to improve for mid-to long-term along with increases in investment asset value



Reference

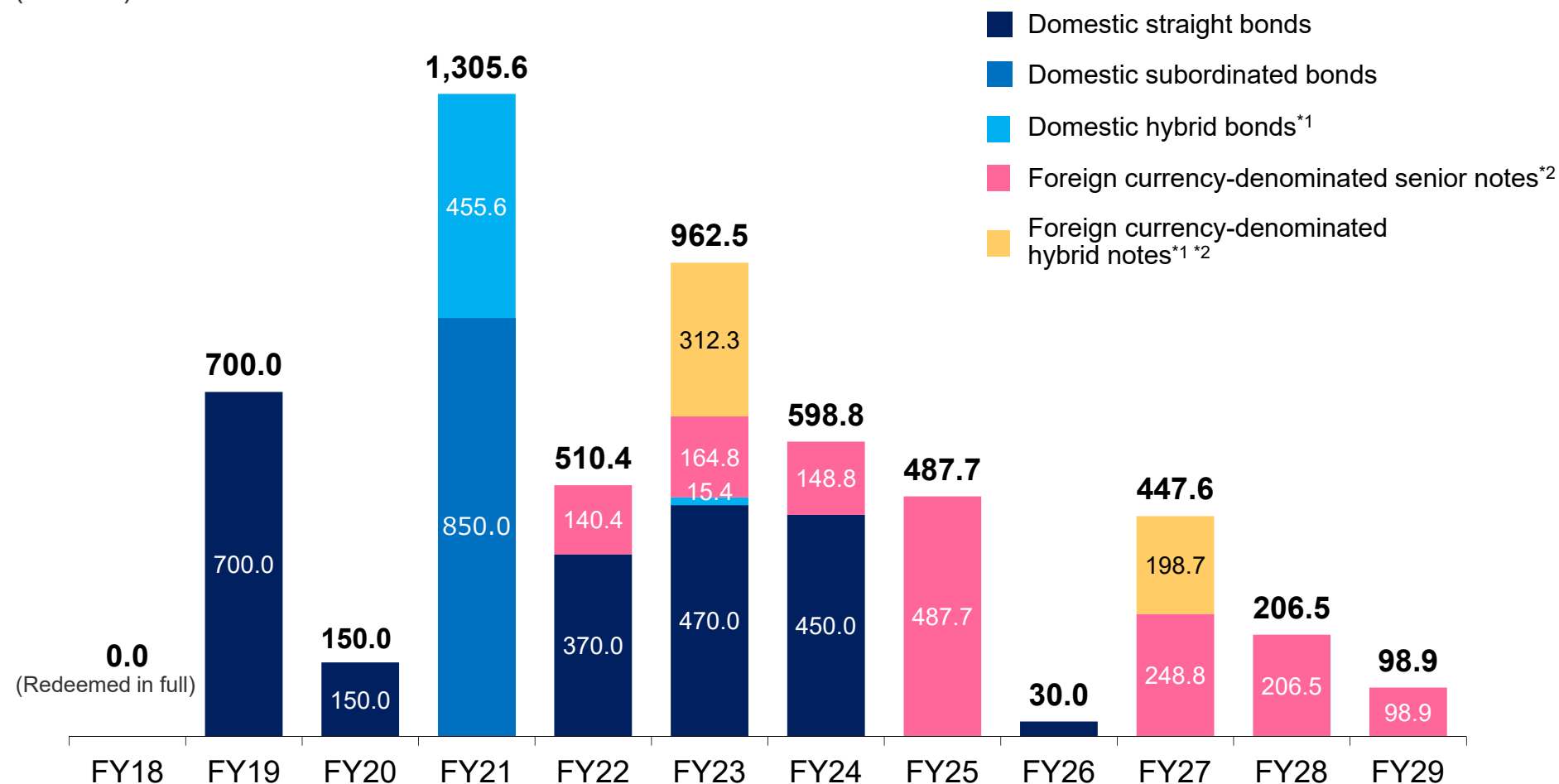
SBG Credit Rating Trend



*Calendar year

SBG Bond Redemption Schedule

(JPY bn)



* Amounts as of end of September 2018

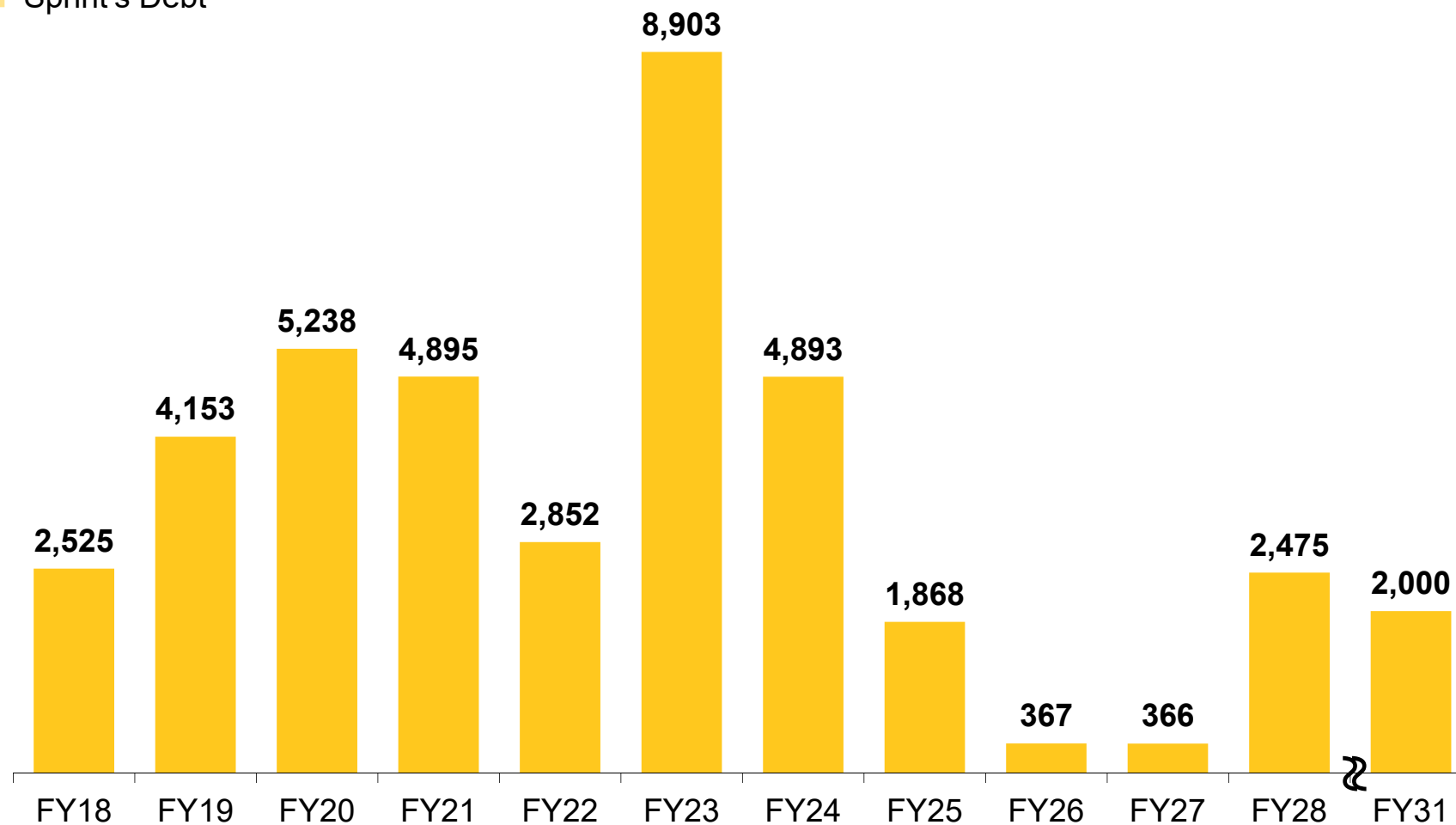
*¹ Prepared on the assumption that hybrid bonds are redeemed on the dates of the first calls.

*² The contracted exchange rate is used for those swap contract is applicable. USD 1 = JPY 113.57 (as of September 30, 2018 is used elsewhere).

Sprint's Debt Maturities

(USD mil)

■ Sprint's Debt

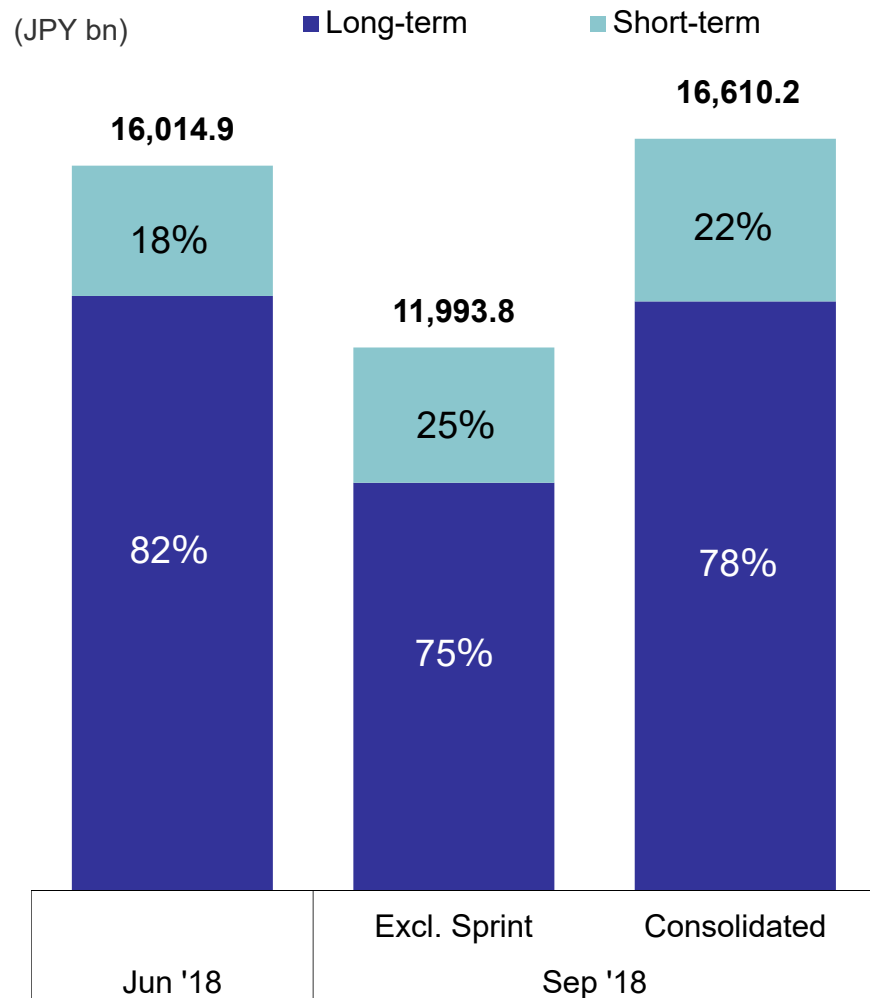


* The balance as of the end of September 2018.

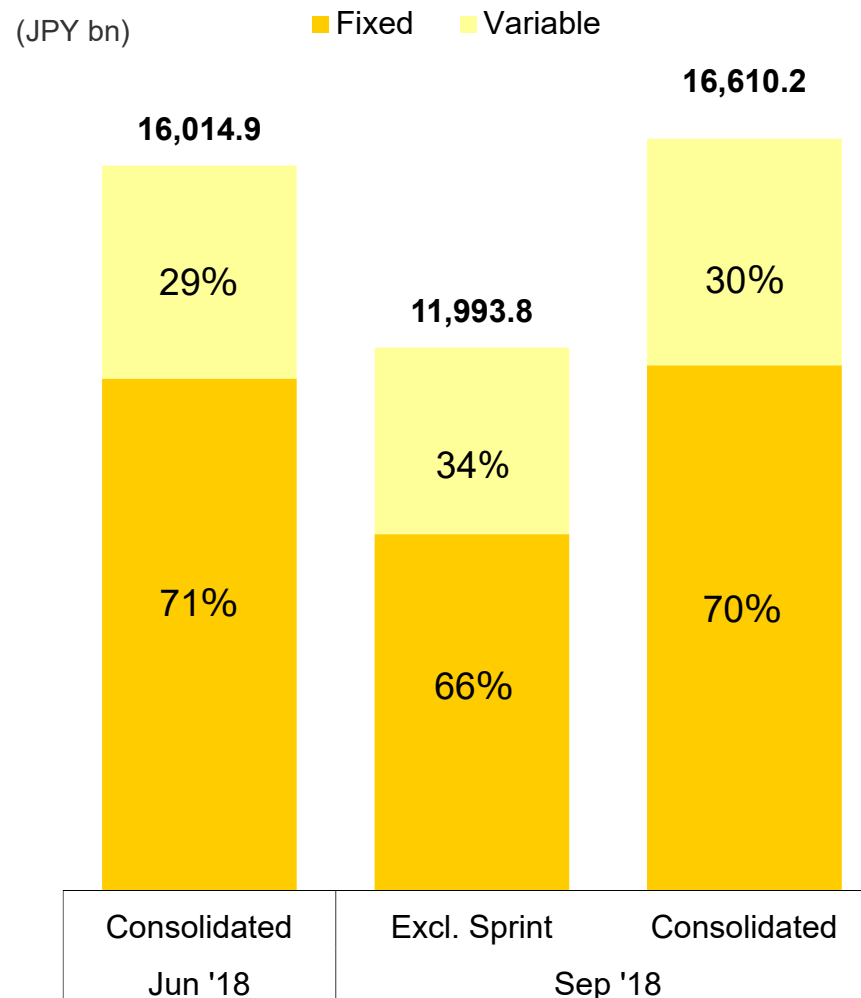
* Created by SBG based on Sprint's earnings results material

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

Interest-bearing debt: Long / short ratio



Interest-bearing debt: Fixed / variable ratio



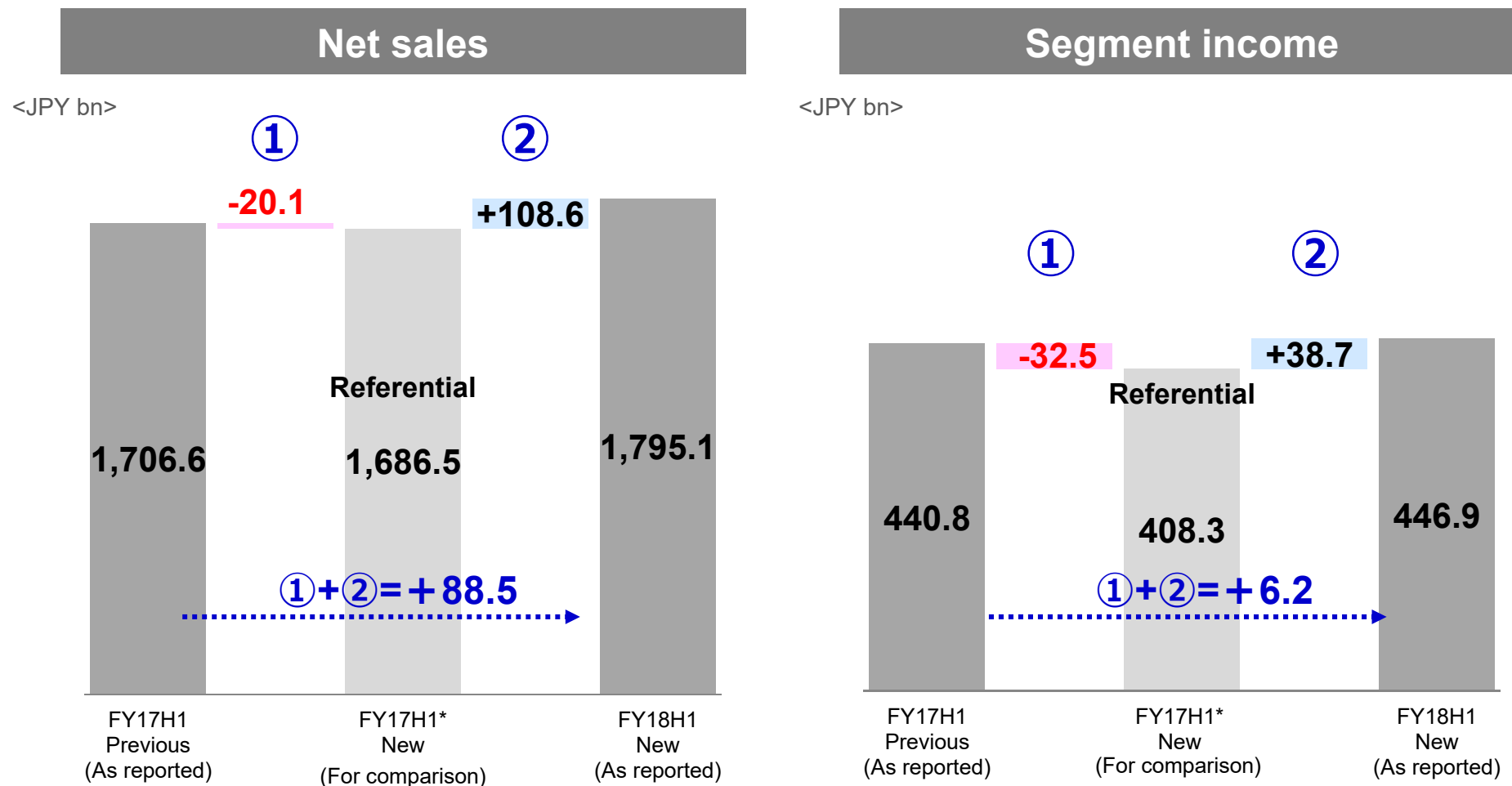
* The presented interest-bearing debt excludes financial liabilities relating to variable repaid forward contract for the sale of Alibaba shares, interest-bearing debt at SoftBank Vision Fund and Delta Fund and deposit for banking business at The Japan Net Bank.

SoftBank

- 1. H1 Results**
- 2. Important Topics (Price Plans, New Businesses)**

Presentation of YoY Analysis at SoftBank Segment

- In the following presentation, new standards (IFRS 9 and IFRS 15) adopted since FY18 are hypothetically applied to FY17 for comparison and referential purposes
- YoY analysis in this presentation will be based on ① difference at FY17H1 due to new accounting standards, and ② difference resulting from business operations

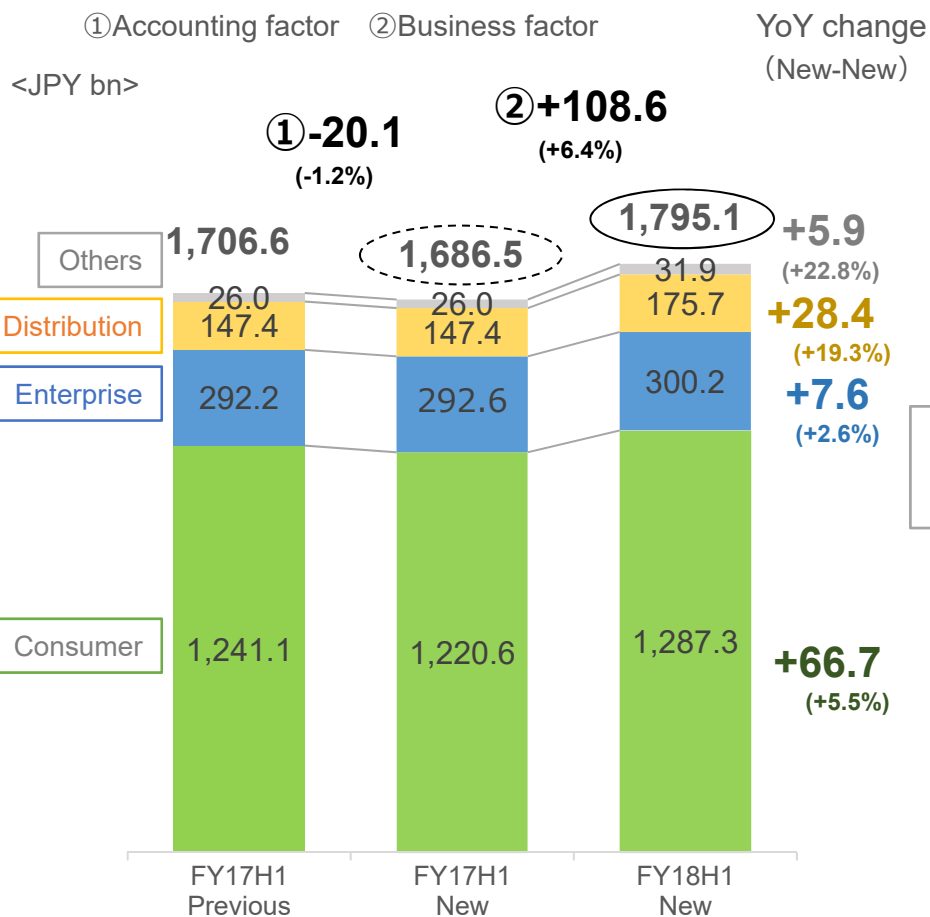


*The figures for FY17H1 after application of the new standards are referential information with an adjustment for internal management purpose. The figures are non-audited.
**FY17H1 results include subsidiaries transferred in April 2018.

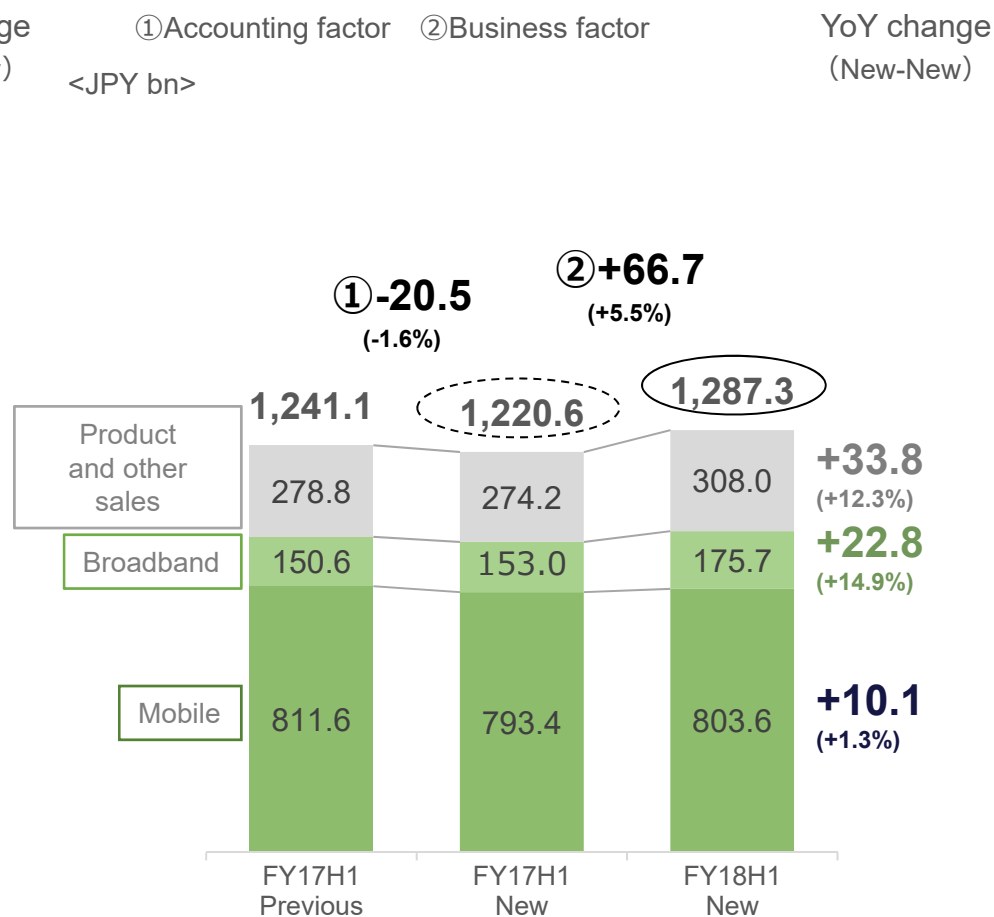
1-1. Net Sales

- FY18H1 sales were JPY1,795.1 bn, ②: +108.6 bn (+6.4%) YoY
- Strong growth in consumer sales driven by product sales and broadband; steady growth in mobile communications

Breakdown by business sections



Consumer breakdown

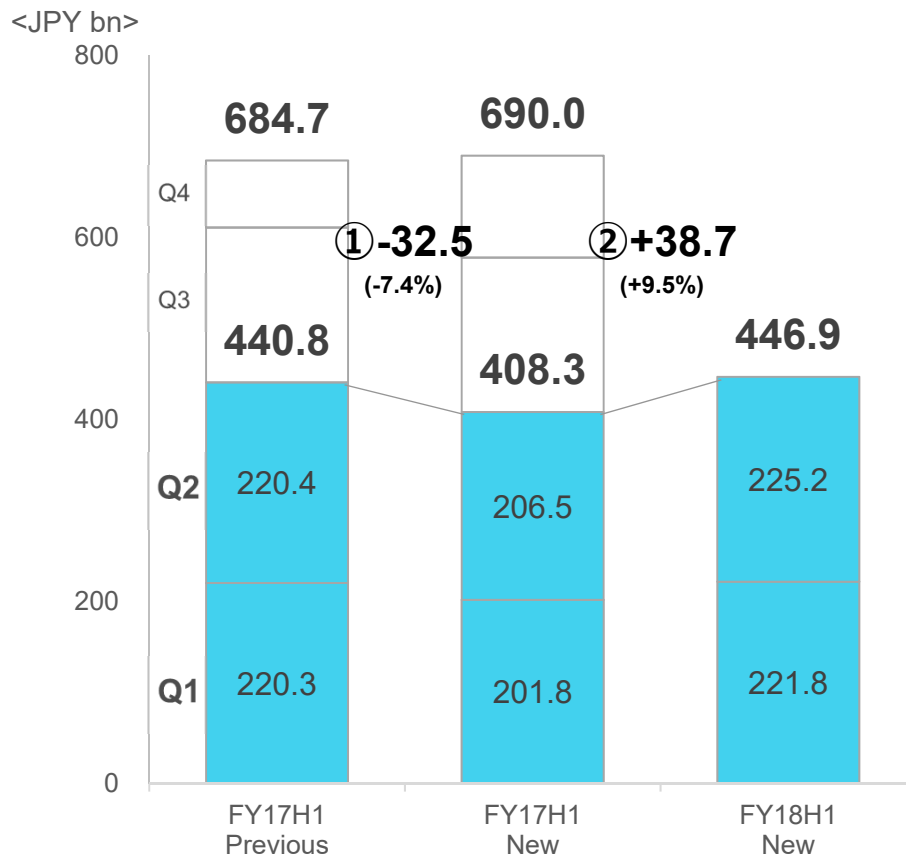


1-2. Operating Income / Adjusted EBITDA

➤ FY18H1 segment income was JPY 446.9 bn, ②: +38.7 bn (+9.5%) YoY

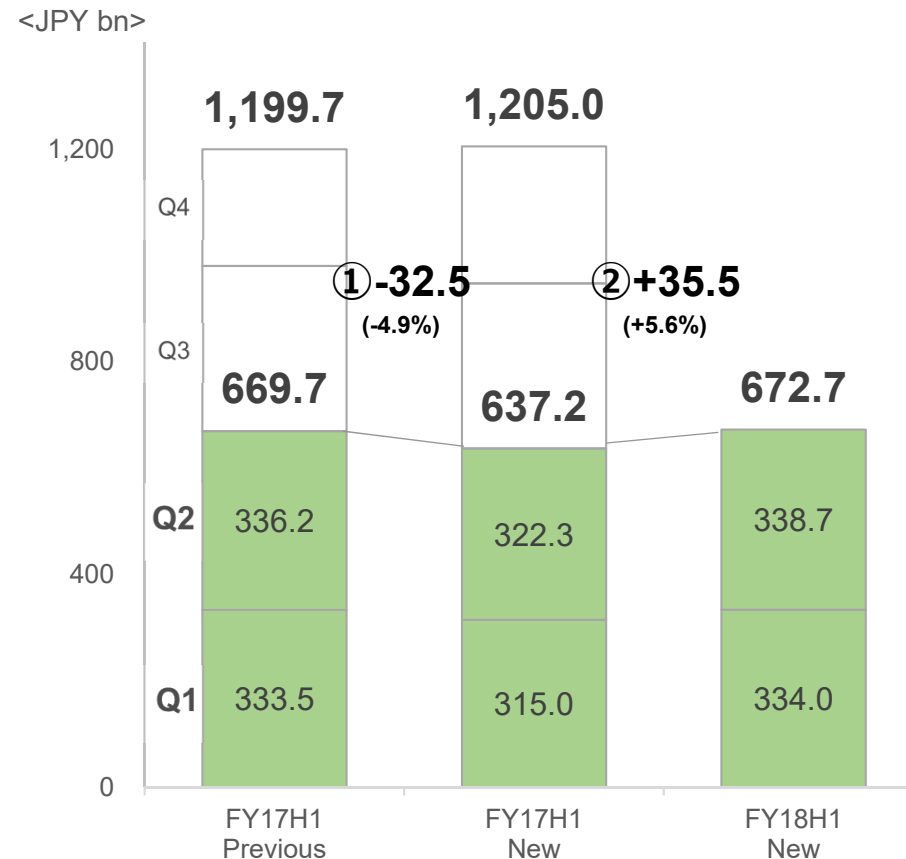
Operating income / Segment income

①Accounting factor ②Business factor



Adjusted EBITDA*

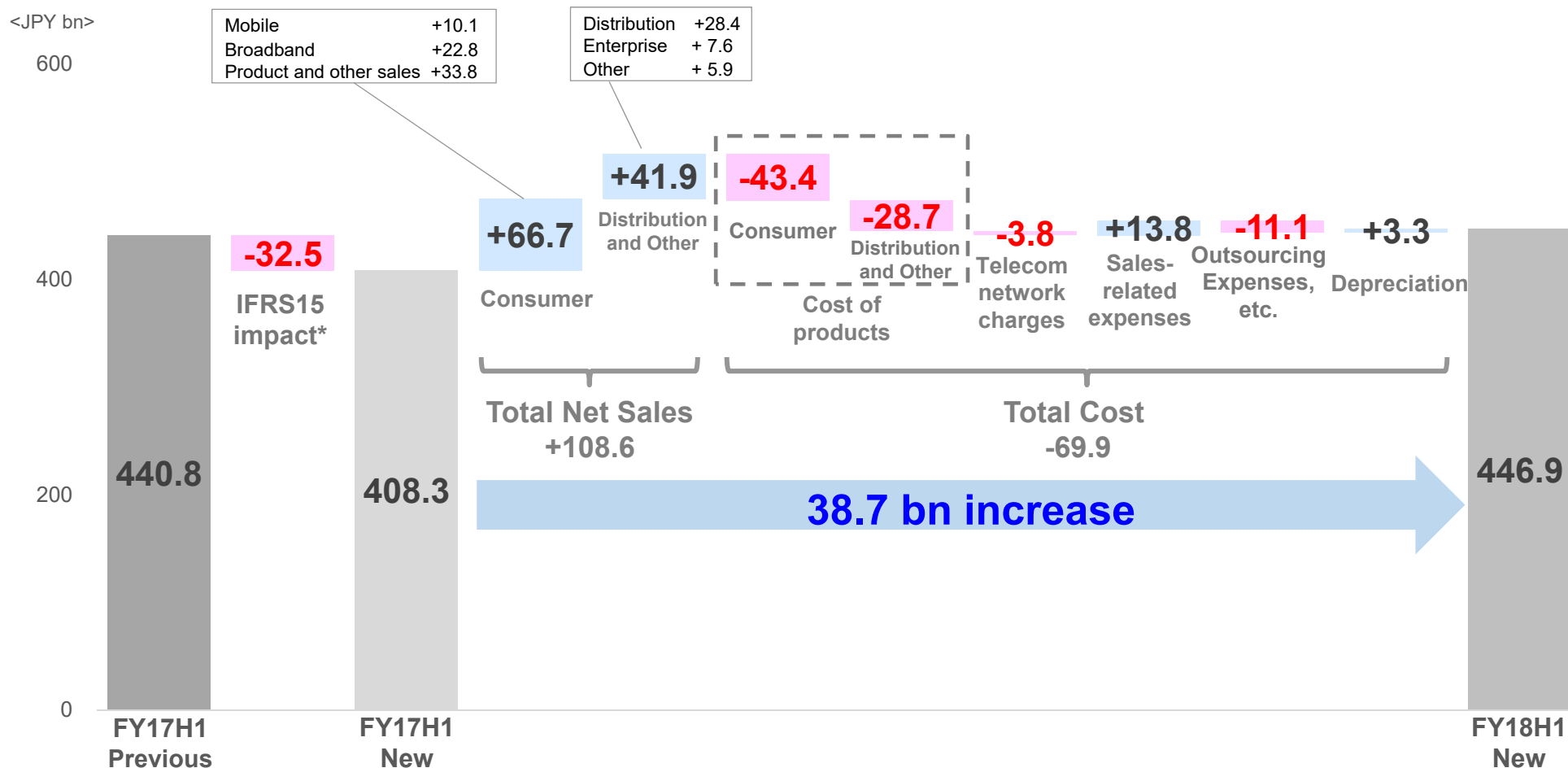
①Accounting factor ②Business factor



*Adjusted EBITDA = segment income + depreciation and amortization ± other adjustments

1-3. Segment Income YoY Analysis

- Topline growth in all business sections
- Increase in cost of products due to smartphone unit price increase
- Successfully reduced cost mainly in sales-related expenses



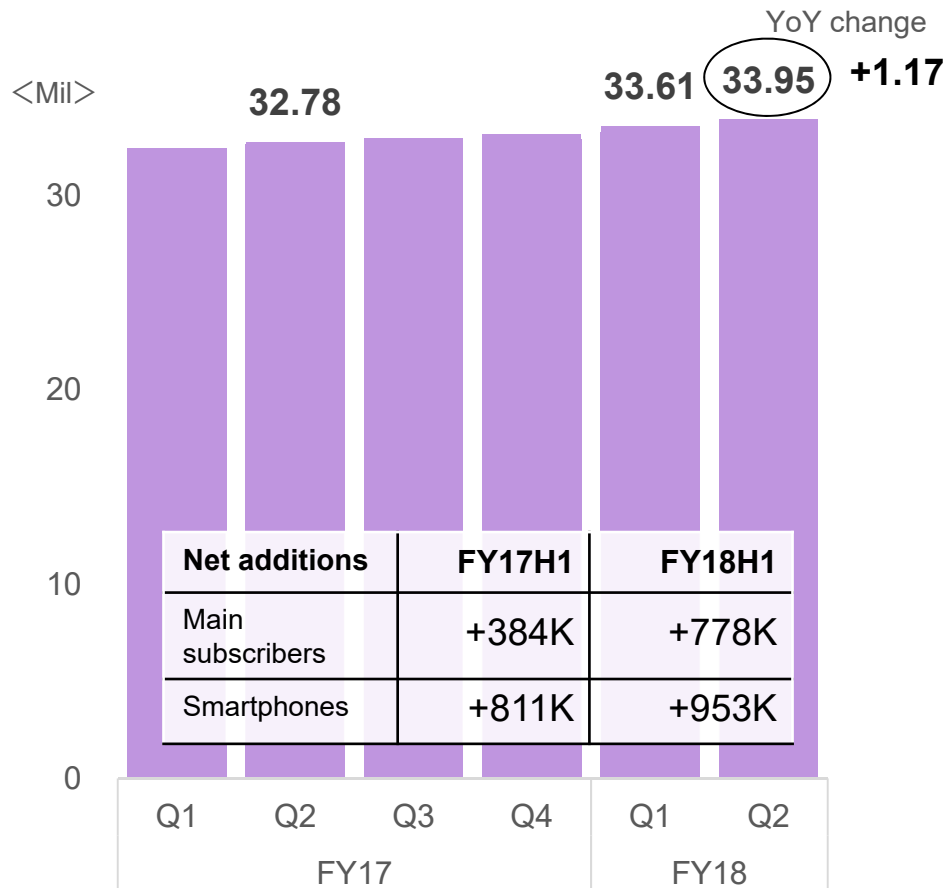
*Impact from adopting of IFRS15 "Revenue from Contracts with Customers"

In FY17 under the previous standards, sales commissions for telecommunications contracts paid to dealers were recognized as a component of operating expenses when incurred. Under the new standards, they are recognized as an asset.

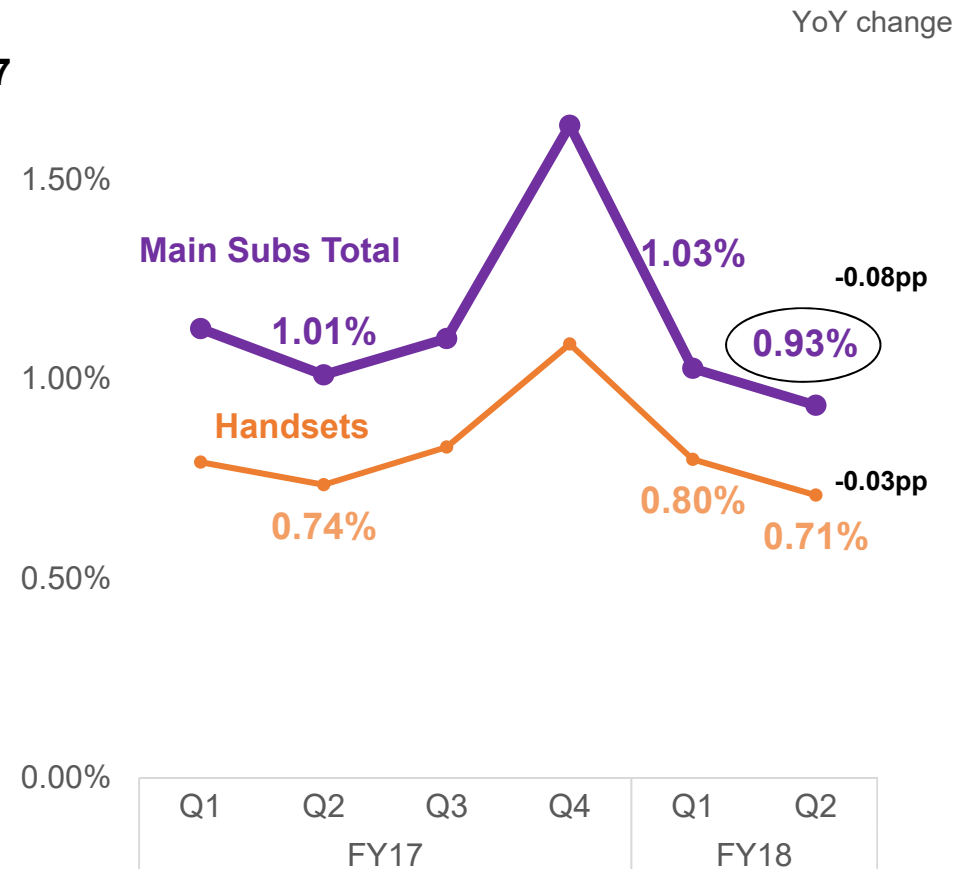
1-4. Mobile Subscribers and Churn Rate (main subscribers)

- Subscribers: main subs increased 778K YoY due to steady smartphone net adds
- Record low churn rate: churn rate improved YoY by 0.08pp for main subs and 0.03pp for handsets

Cumulative subscribers*



Churn rate

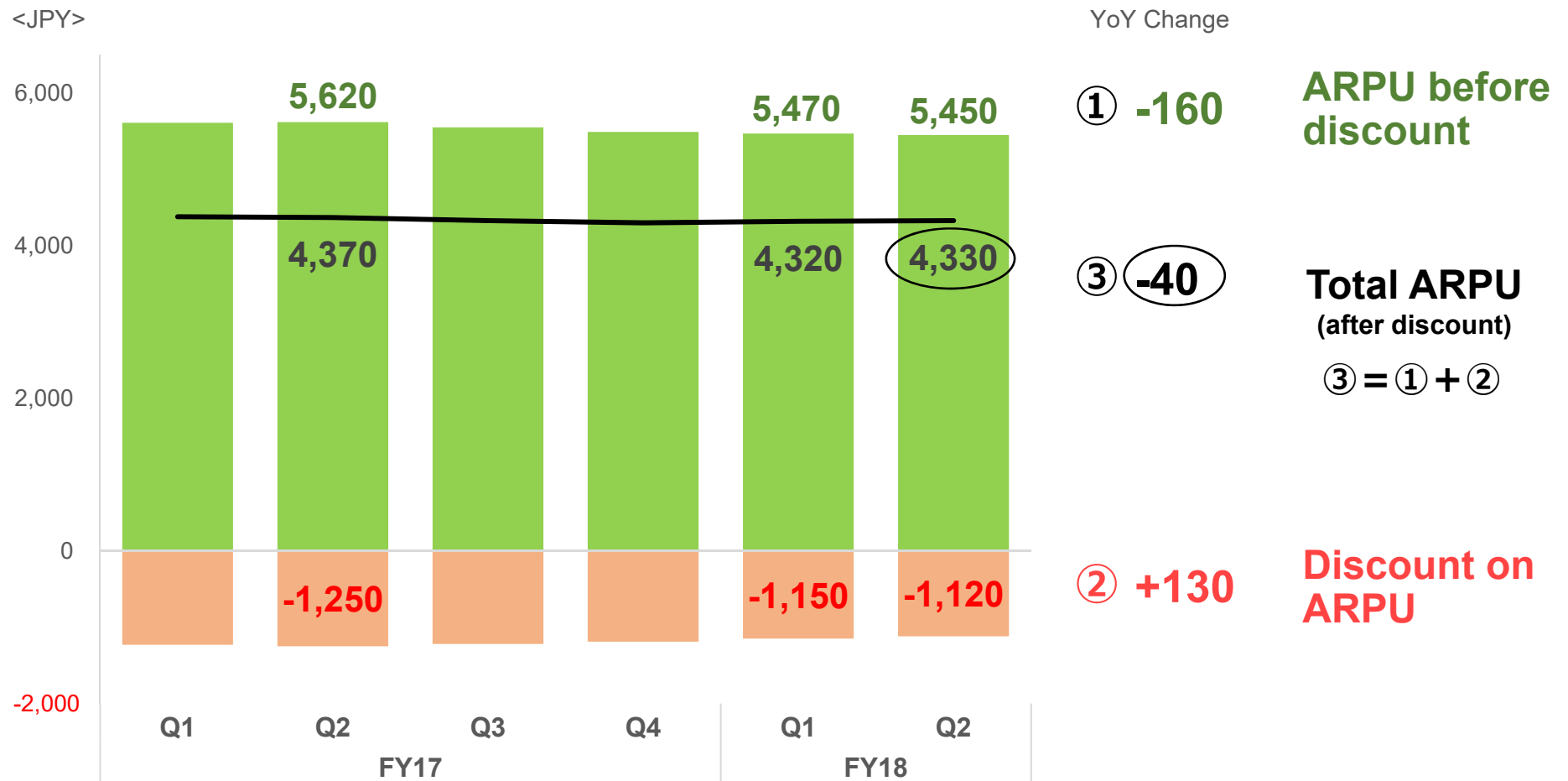


* FY18H1 and FY17H1 cumulative subs include 376K and 105K *Wireless Home Phone* subscribers respectively.

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

1-5. ARPU (main subscribers)

- Q2 total ARPU decreased by JPY 40 YoY: Dilutive impact of *Y!mobile* and *LINE MOBILE* smartphones drove down ARPU
- Discount on ARPU improved due to decrease of monthly discounts



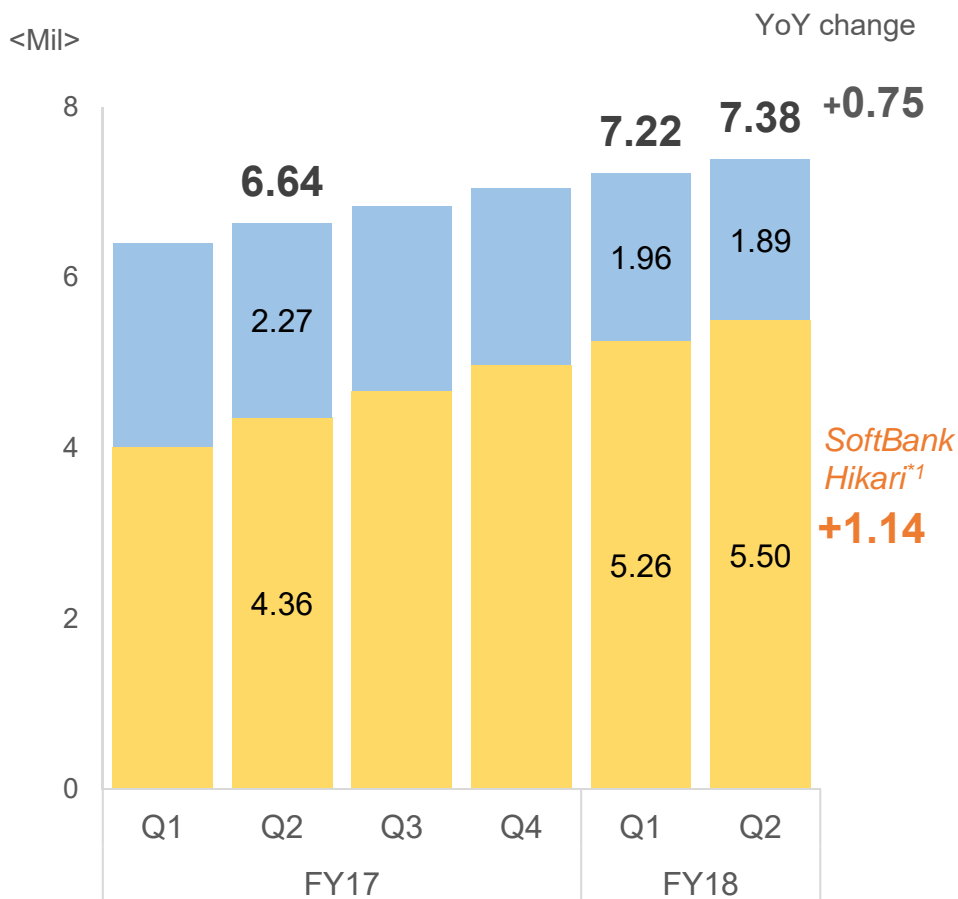
*Revenue deductions relating to reward points and *Half Price Support* are not included in calculation of ARPU.

**Includes IFRS15 impact.

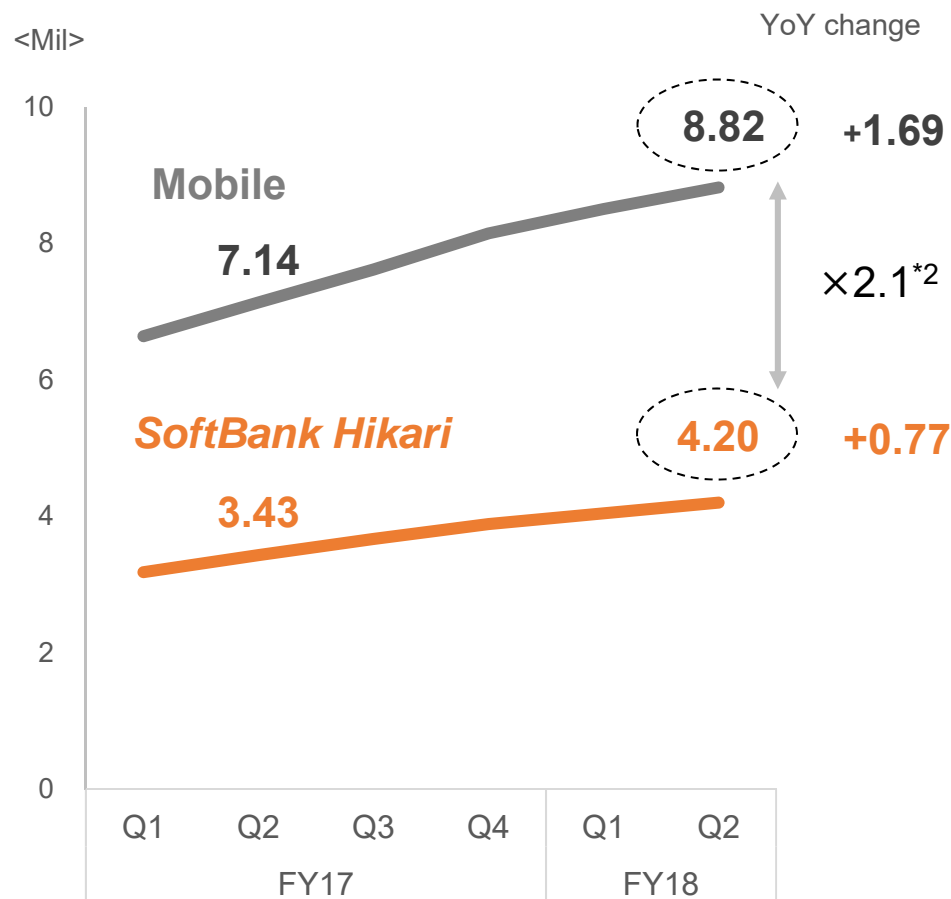
1-6. Developments in Broadband

- 5.50 mil *SoftBank Hikari**1 subs at FY18Q2-end; steady new acquisitions
- 8.82 mil subs to *Home Bundle Discount Hikari Set*

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



**Home Bundle Discount Hikari Set
cumulative subscribers**

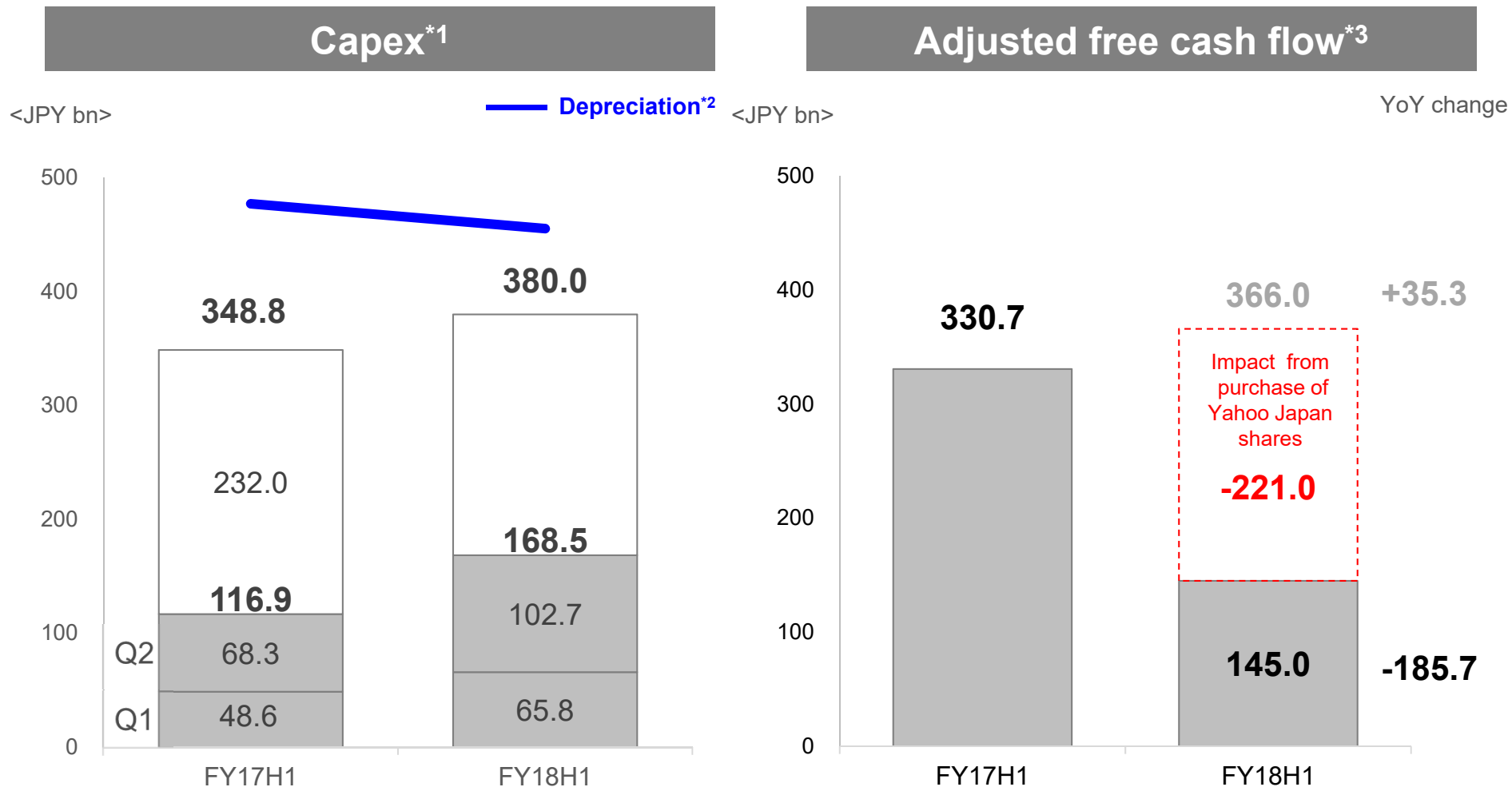


* 1 : *SoftBank Hikari* includes *SoftBank Air*

* 2 : Number of mobile lines under bundled discount per *SoftBank Hikari* line

1-7. Capex / Adjusted Free Cash Flow

- FY18H1 capex was JPY 168.5 bn*¹ with expansion of LTE service area and improvement of network quality
- Adjusted FCF on track for over JPY 500 bn in FY18 (excluding impact from purchase of YJ shares)



*1 Capex: Acceptance basis. Excludes capex for rental mobile phones.

*2 Depreciation: Includes disposal. Excludes depreciation for rental mobile phones.

*3 Adj. FCF = FCF + proceeds from securitization of installment receivables – their repayments

2-1. Multi-Brand Strategy

SoftBank

Large capacity data plans



Requires more data for stress-free use

+

Y!mobile

Low price



Light Users

Address various needs

2-2. Multi-Brand Strategy ~SoftBank~

SoftBank

Target/Price

Ultra GIGA MONSTER Plus

ウルトラギガモンスター+
Unlimited streaming & SNS plan
動画SNS放題

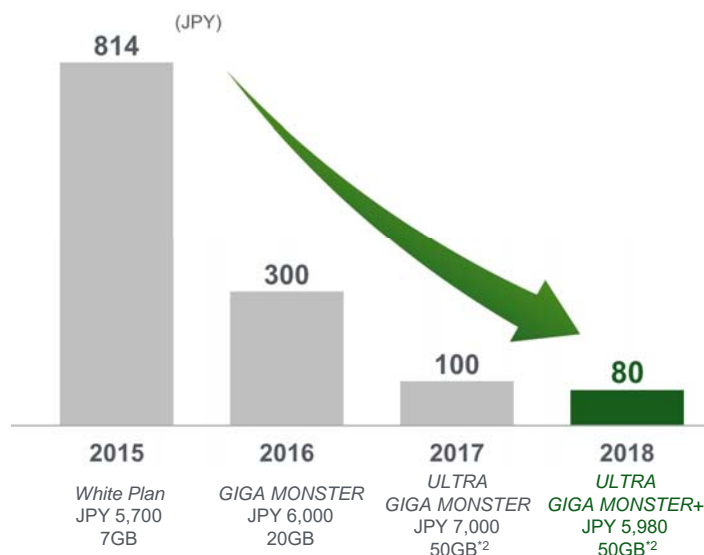
Large capacity data plans



Requires more data for stress-free use

JPY 3,480^{*1}~ per month
(50GB)

Attractive Data Price



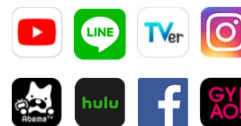
Cost per GB

1/10

+

Unlimited streaming & SNS plan
動画SNS放題

<Applicable Services>^{*3}



Handset Cost and Service Fee Separation Plan

Ultra GIGA MONSTER Plus

ウルトラギガモンスター+

ミニモンスター

MINI MONSTER

**Launched in
September 2018**

*1 Exclude tax, 2-year contract required, 1-year Discount, Home Bundle Discount with Hikari Set, first year price at Everybody Family Discount Plus (4 people) applied, and fixed-line telecommunication fee applies

*2 Everybody Family Discount Plus (4 people) applied

*3 Unlimited streaming & SNS may not apply to some services. The term "unlimited" does not include some paid services

2-3. Multi-Brand Strategy ~Y!mobile~



Target/Price

Low-cost Smartphone
Market Share^{*3}

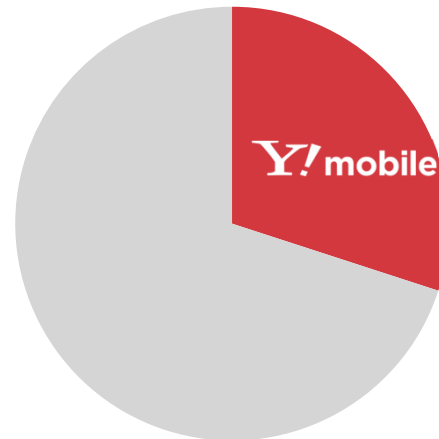
Handset Cost and Service Fee
Separation Plan

Low price



Light Users

- Smartphone plan L
- Smartphone plan M
- Smartphone plan S



To be launched
next FY

JPY 1,480^{*1}~ per month
(3 GB)^{*2}

No. 1
Drive low-cost
smartphone market

Meet
Customer
Needs

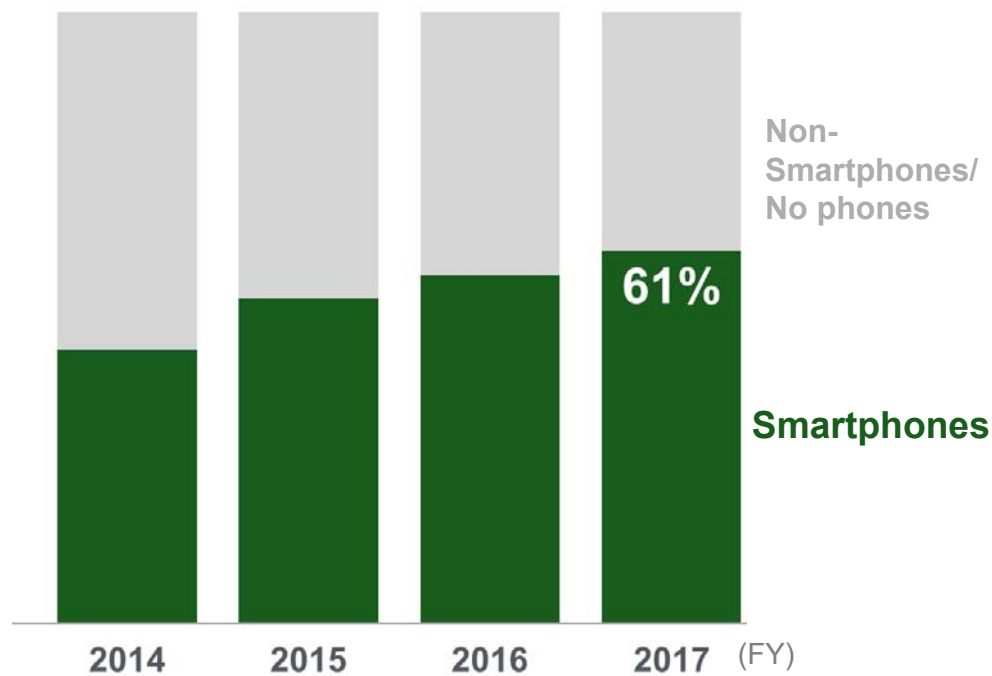
^{*1} Smartphone Plan S / JPY 1,980 Discount / Home Bundle Discount Hikari Set required, price for the first year, tax excluded. Fixed-line telecommunication fee applies.
^{*2} When Extra Data Free Campaign applied, customers who signed up for Extra Data Option are eligible, 2 years.
^{*3} (Source) Created based on MMD Labo "Low-cost smartphone market usage report Sep., 2018"

2-4. Domestic Market of Smartphone Possession

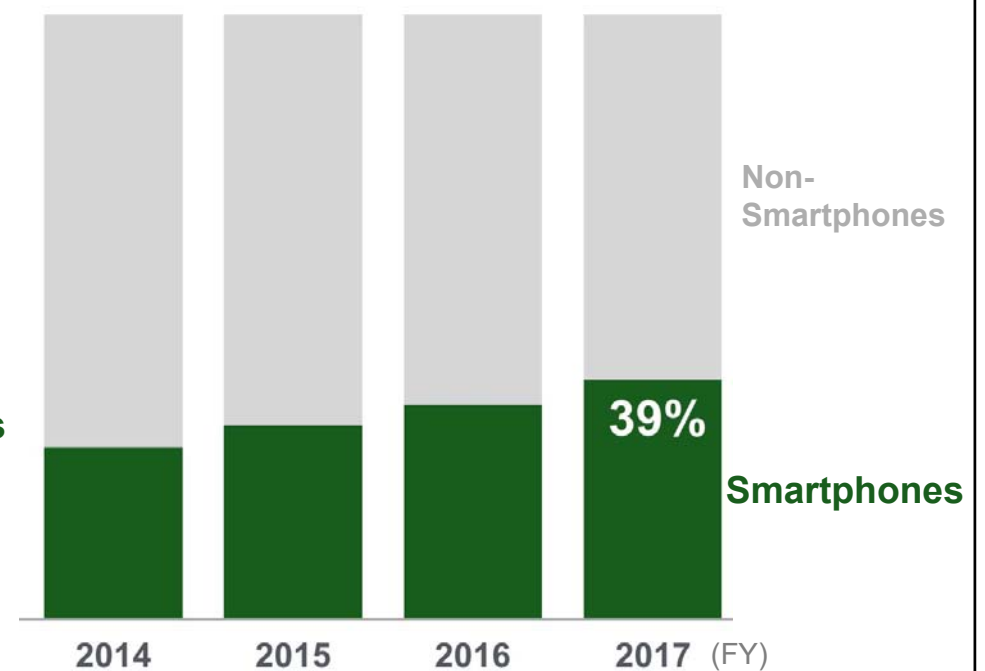


Continuously in growth market for Consumer & Enterprise

Smartphone Possession (Consumer)*1



Smartphone Subs Ratio (Enterprise)*2



*1 : (Source) Ministry of Internal Affairs and Communications Year 2018 - White Paper on Information and Communications

*2 : (Source) Fuji Chimera

2-5. Beyond Carrier Strategy

Expand customer base


























Differentiation /
strengthening relationship
with customers

Generate new businesses



Aim for continuous growth with both strategies

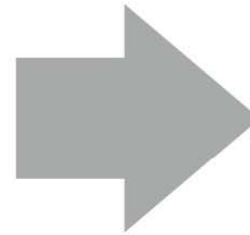
2-6. Expansion of New Business Domains

FinTech	Robotics	Sharing economy	Security
 PayPay JV  J.Score JV  One Tap BUY Subsidiary <small>(smartphone-based securities trading market)</small>  TBCASoft Investment <small>(blockchain)</small>	 SoftBank Robotics Collaboration  Boston Dynamics Collaboration  brain corp Collaboration	 DiDi JV  wework JV  HELLO CYCLING Investment	 cybereason JV  ZIMPERIUM Investment
AI	IoT	Cloud	Others
 (IBM Watson) Collaboration  FINDABILITY SCIENCES JV	 MONET JV(planned) <small>MONET TECHNOLOGIES INC.</small>  aeris JV  ENCORED JV  handy Japan Investment	 SB Cloud JV  packet Investment	 mysta JV  Classi JV  inarra JV

Accelerate Growth Strategy

Half & Twice *

**Reduce 40% of
human resource
related to
telco business**



Beyond Carrier

**Increase in profit of
telco business**

**Generate new
revenue source**

Shift human resources to growth area

2-8. Growth Fueled by Telco and New Business



1 Increase in revenue / profit^{*1}
(aim to achieve increase in profit in FY19 and after)

2 Generate stable FCF (over JPY 500bn)^{*2} Excl. impact of TOB of YJ shares

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

4 Preparation for listing

^{*1} Comparison based on the new accounting standards (IFRS 9 and 15).

Numbers after application of the new standards for FY17 SoftBank Segment are referential information with an adjustment for internal management purpose, and are non-audited.

^{*2} Including the impact of proceeds from securitization of installment receivables and their repayment.

(For reference) Net Sales

(JPY bn)

	FY17H1(Previous)	Reference FY17H1(New)	FY18H1(New)	YoY (New)
Consumer	1,241.1	1,220.6	1,287.3	66.7
Telecom service revenue	962.2	946.4	979.3	32.9
Mobile	811.6	793.4	803.6	10.1
Broadband	150.6	153.0	175.7	22.8
Product and other sales	278.8	274.2	308.0	33.8
Enterprise	292.2	292.6	300.2	7.6
Mobile	129.3	129.3	128.6	-0.6
Fixed-line	105.7	105.7	105.9	0.2
Solutions, etc.	57.2	57.6	65.6	8.0
Distribution	147.4	147.4	175.7	28.4
Others	26.0	26.0	31.9	5.9
Total	1,706.6	1,686.5	1,795.1	108.6

Definition and Calculation Method of Principal Operational Data <SoftBank Segment>

i. Mobile

All data on mobile communications service includes *SoftBank*, *Y!mobile* and *LINE MOBILE* brands.

Each category includes the services as follows.

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

* Smartphones with *Smartphone Family Discount* and mobile data communications devices with *Data Card 2-Year Special Discount* are included under communication modules.

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

PHS : PHS

Principal Operational Data for Main Subscribers

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)

*Data-related revenues = data-related revenue (packet communication and flat-rate charges, basic monthly Internet connection charges etc.)

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

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

*ARPU calculation does not include deductions on telecom service revenue related to reward points and *Half Price Support* program.

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)

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

Units sold: the total number of new subscriptions and device upgrades. New subscriptions where customers switch between *SoftBank*, *Y!mobile* and *LINE MOBILE* using MNP are included in the number of device upgrades.

*ARPU, churn rate and number of units sold are calculated and presented excluding revenues or subscribers to the *Wireless Home Phone*.

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").

ii. Broadband

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

Q2
FY 2018

RESULTS
SoftBank Investor Briefing



Cautionary Statement

SAFE HARBOR

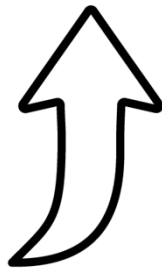
This release includes “forward-looking statements” within the meaning of the securities laws. The words “may,” “could,” “should,” “estimate,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “target,” “plan”, “outlook,” “providing guidance,” and similar expressions are intended to 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, 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.

FY2Q 2018 Highlights

Wireless Service Revenue^[1]

GREW

year-over-year for the first time in nearly five years



[1] excluding the impact of the new revenue standard

Adjusted EBITDA*



HIGHEST

fiscal second quarter in twelve years

Net Income



delivered for the 4th consecutive quarter

Operating Income



delivered for the 11th consecutive quarter

Adjusted Free Cash Flow*



POSITIVE

six of the last seven quarters

Digital

Postpaid gross additions in digital channels increased nearly 60 percent year-over-year

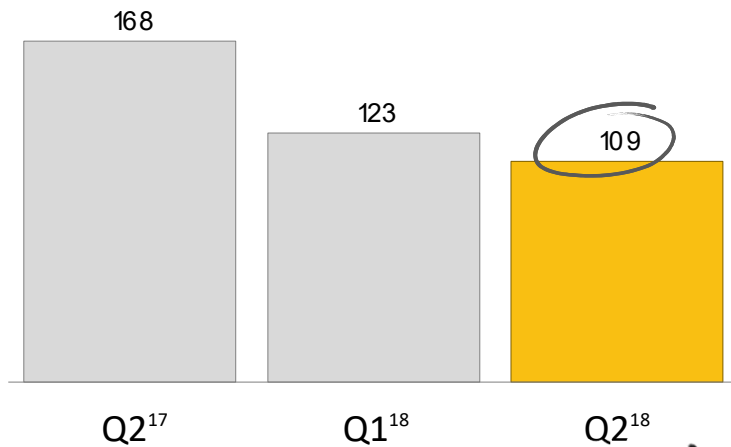


Sprint
Next-Gen
Network

Network capex nearly doubled year-over-year

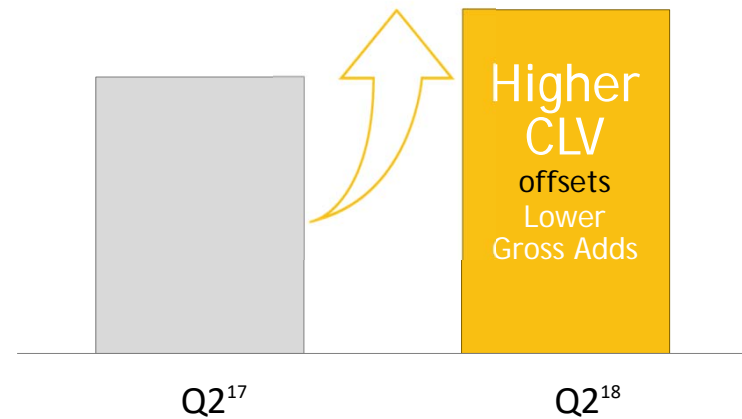
Balancing Growth & Profitability

Postpaid Net Adds
Results in Thousands



5 consecutive quarters of
GROWTH

Postpaid Consumer Phone GAVA
(New Account Gross adds * Customer Lifetime Value)



delivers a
superior financial
outcome over the long-term

Network Built For Unlimited

Sprint's Network is the fastest in
average download speeds in

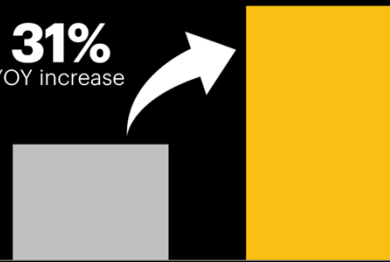
123

cities!

Analysis by Ookla of Speedtest Intelligence data average download speeds from 7/1/18 to 9/30/18 for all mobile results.

Sprint's Network is most improved.
31% increase in National average download speeds YOY!

31%
YOY increase



Sept. 2017

Sept. 2018

Analysis by Ookla of Speedtest Intelligence data comparing average download speeds from September 2017 to September 2018 for all mobile results.



**Tri-Band
Existing Sites**
800 MHz, 1.9 GHz, 2.5
GHz deployed on roughly
70% of our macro sites



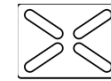
**Outdoor
Small Cells**
21K on air

TURBO CHARGING

The Customer Experience

**LTE
ADVANCED**

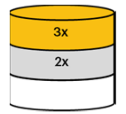
UP TO
2x
Faster



4x4 MIMO



256 QAM



3X Carrier
Aggregation

**Massive
MIMO**



Unlimited for All

	Unlimited Basic	Unlimited Plus	Unlimited Premium
Premium Extras			prime
Bundled Extras	hulu	hulu ❖ TIDAL	hulu ❖ TIDAL Lookout
Mobile Hotspot	500MB LTE	15GB LTE	50GB LTE
Video Streaming	DVD-quality Streaming (480p)	HD Streaming (1080p)	Full HD Streaming
Canada/Mexico Roaming	Unlimited talk, text, 5GB of 4G LTE data	Unlimited talk, text, 10GB of 4G LTE data	Unlimited talk, text, and Unlimited 4G LTE data
Global Roaming	Text & Data in over 185 worldwide destinations	Text & Data in over 185 worldwide destinations	Text & Data in over 185 worldwide destinations

Digital Transformation

Leveraging digital capabilities and advanced analytics and artificial intelligence to further optimize our business structure



01

Increase Digital Revenue



02

Intelligent Customer Experience



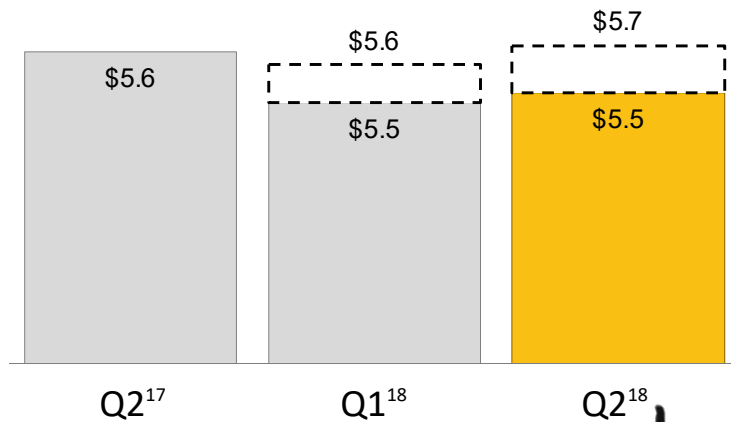
03

Improve Digital Engagement



Growing Revenue

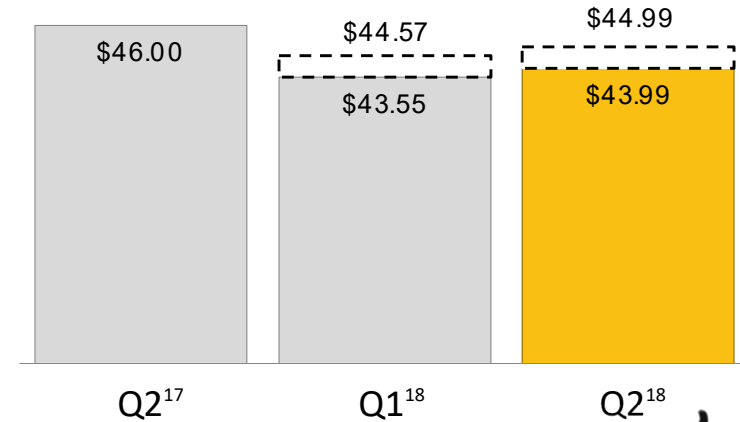
Wireless Service Revenue
Dollars in Billions



New revenue standard impact

Grew year-over-year
**First time in
nearly 5 years** ^[1]

Postpaid Average Revenue per User (ARPU)*



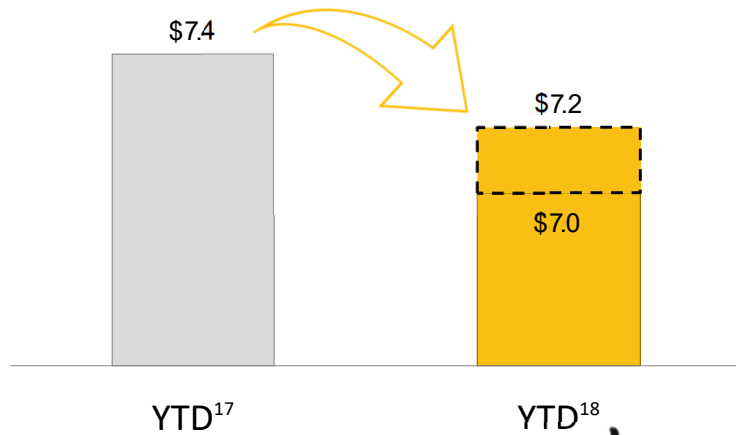
New revenue standard impact

Grew sequentially
**Second quarter
in a row**

[1] excluding the impact of the new revenue standard

Improving Profitability

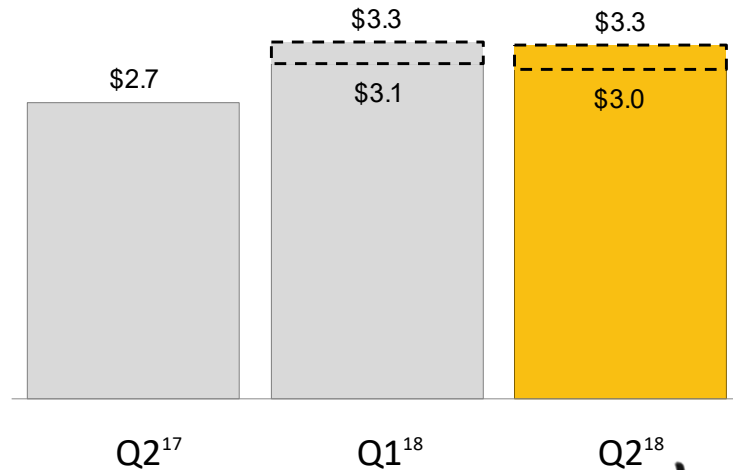
Cost of Services + SG&A Expenses
Dollars in Billions



New revenue standard impact

Roughly
\$200M
year-over-year reductions ^[1]

Adjusted EBITDA*
Dollars in Billions



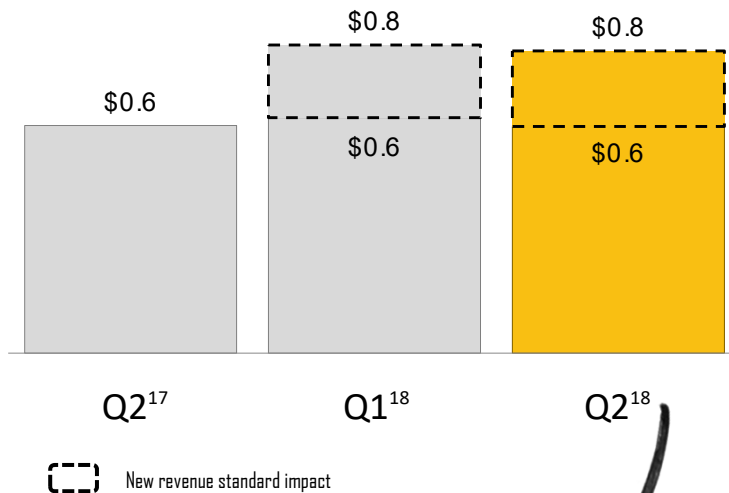
New revenue standard impact

HIGHEST
fiscal second quarter in 12 years

[1] excluding the impact of the new revenue standard and merger costs

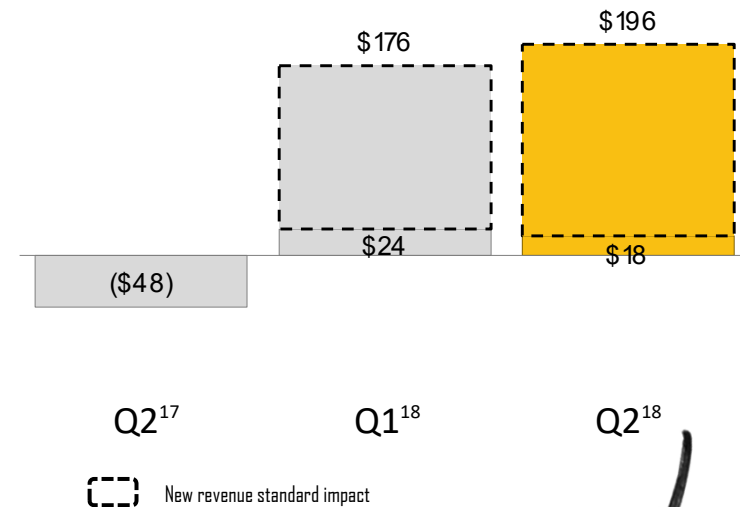
Generating Income

Operating Income
Dollars in Billions



11 CONSECUTIVE
quarters of
operating income

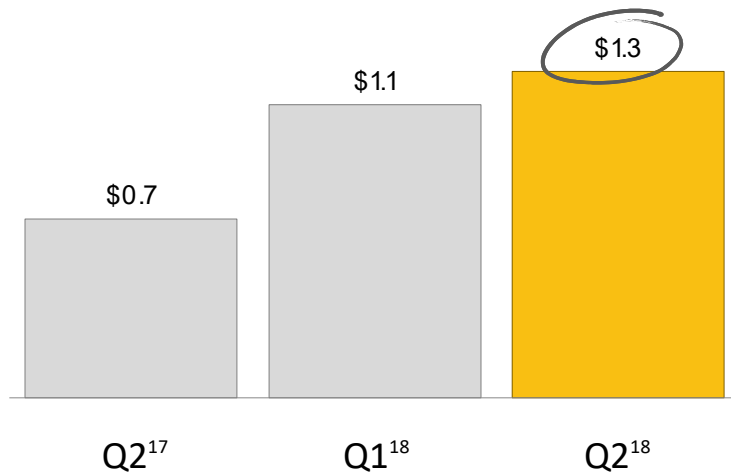
Net Income
Dollars in Millions



4 CONSECUTIVE
quarters of
net income

Investing & Delivering FCF

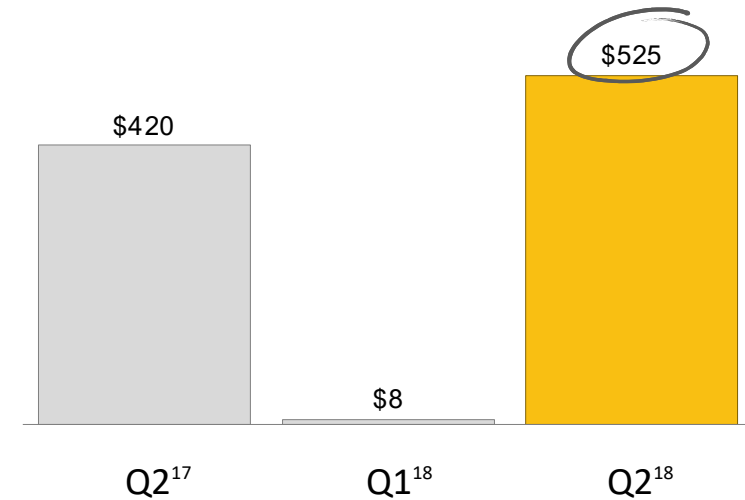
Cash Capex^[1]
Dollars in Billions



Nearly
DOUBLED
year-over-year

[1] excludes capitalized device leases

Adjusted Free Cash Flow*
Dollars in Millions



POSITIVE
6 out of last 7 quarters

FISCAL YEAR
2018
Guidance

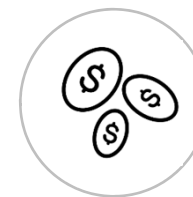


**Adjusted
EBITDA***

\$12.4 billion to
\$12.7 billion

As Reported

\$11.7B-\$12.0B excluding the impact of the
new revenue standard



**Cash
Capex**

\$5.0 billion to
\$5.5 billion

excluding
leased devices

