



**Earnings Results  
for the Three-month Period  
Ended June 30, 2011**

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**July 28, 2011  
SOFTBANK CORP.**

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\* Please refer to the last page for details relating to the application of new accounting standards, definition of terms, trademarks and registered trademarks used in this material.

# Highlights

- 1) Operating income: record high for 6 consecutive periods**
- 2) Net income: record high; 5x YoY**
- 3) Refinancing: financial strength significantly improved**

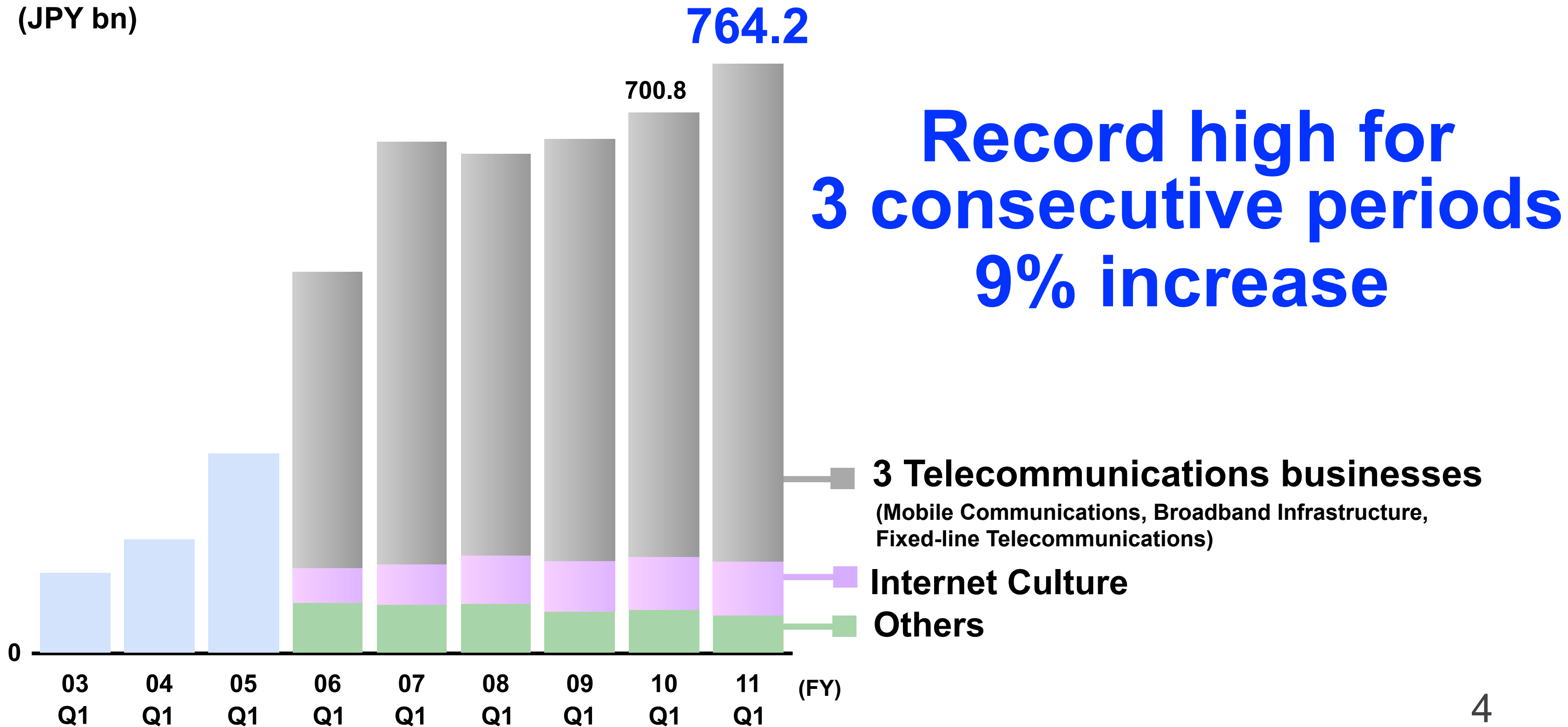
# Summary of Consolidated Earnings Results

(JPY bn)

	<b>FY10/Q1</b> (Apr. - June 10)	<b>FY11/Q1</b> (Apr. - June 11)	<b>Increment</b>	<b>YoY</b>
<b>Net sales</b>	<b>700.8</b>	<b>764.2</b>	<b>+63.3</b>	<b>109%</b>
<b>EBITDA</b>	<b>227.2</b>	<b>254.2</b>	<b>+26.9</b>	<b>112%</b>
<b>Operating income</b>	<b>156.6</b>	<b>175.8</b>	<b>+19.2</b>	<b>112%</b>
<b>Ordinary income</b>	<b>126.8</b>	<b>151.2</b>	<b>+24.3</b>	<b>119%</b>
<b>Net income</b>	<b>19.4</b>	<b>94.7</b>	<b>+75.3</b>	<b>488%</b>

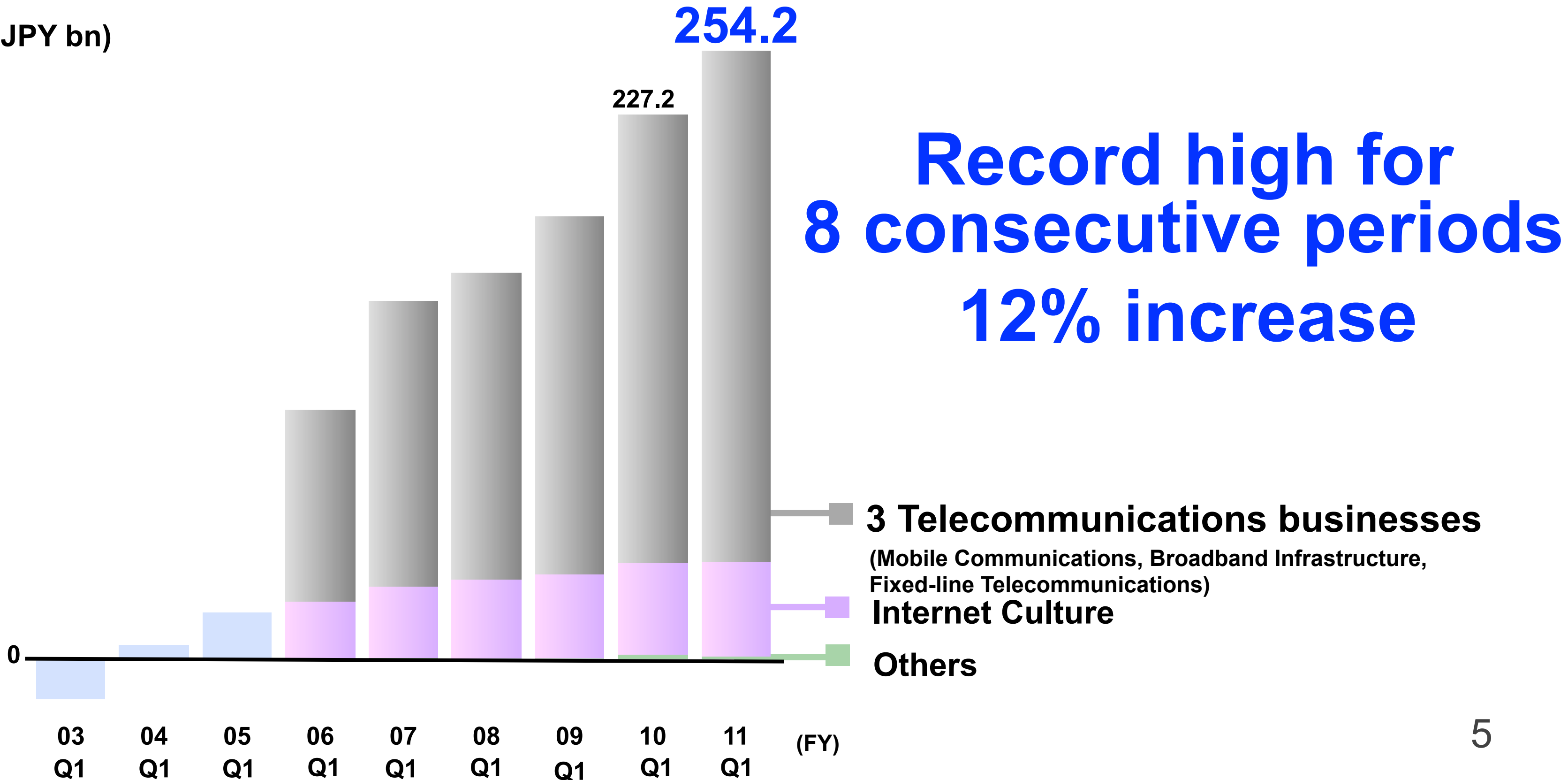
# Consolidated Net Sales (Apr. - June)

(JPY bn)



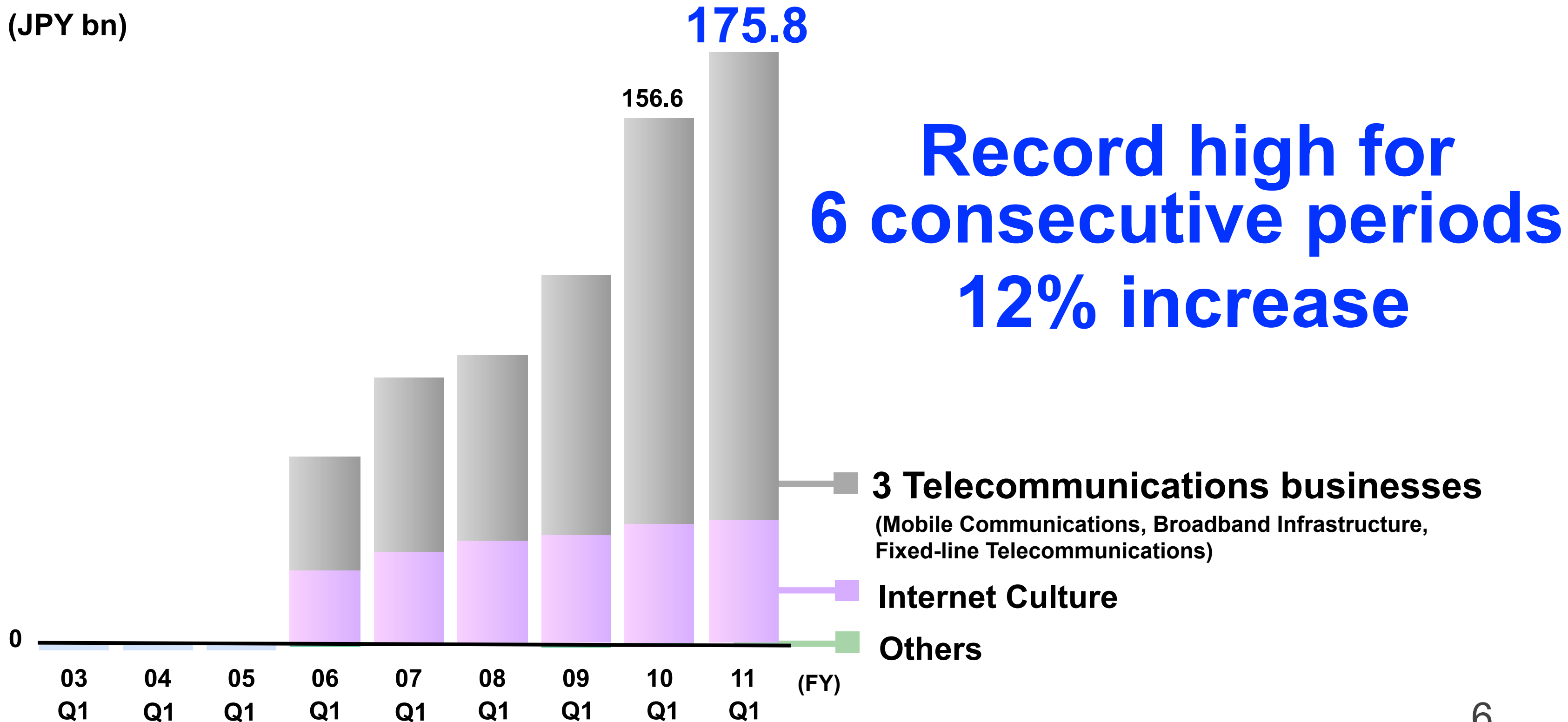
# Consolidated EBITDA (Apr. - June)

(JPY bn)



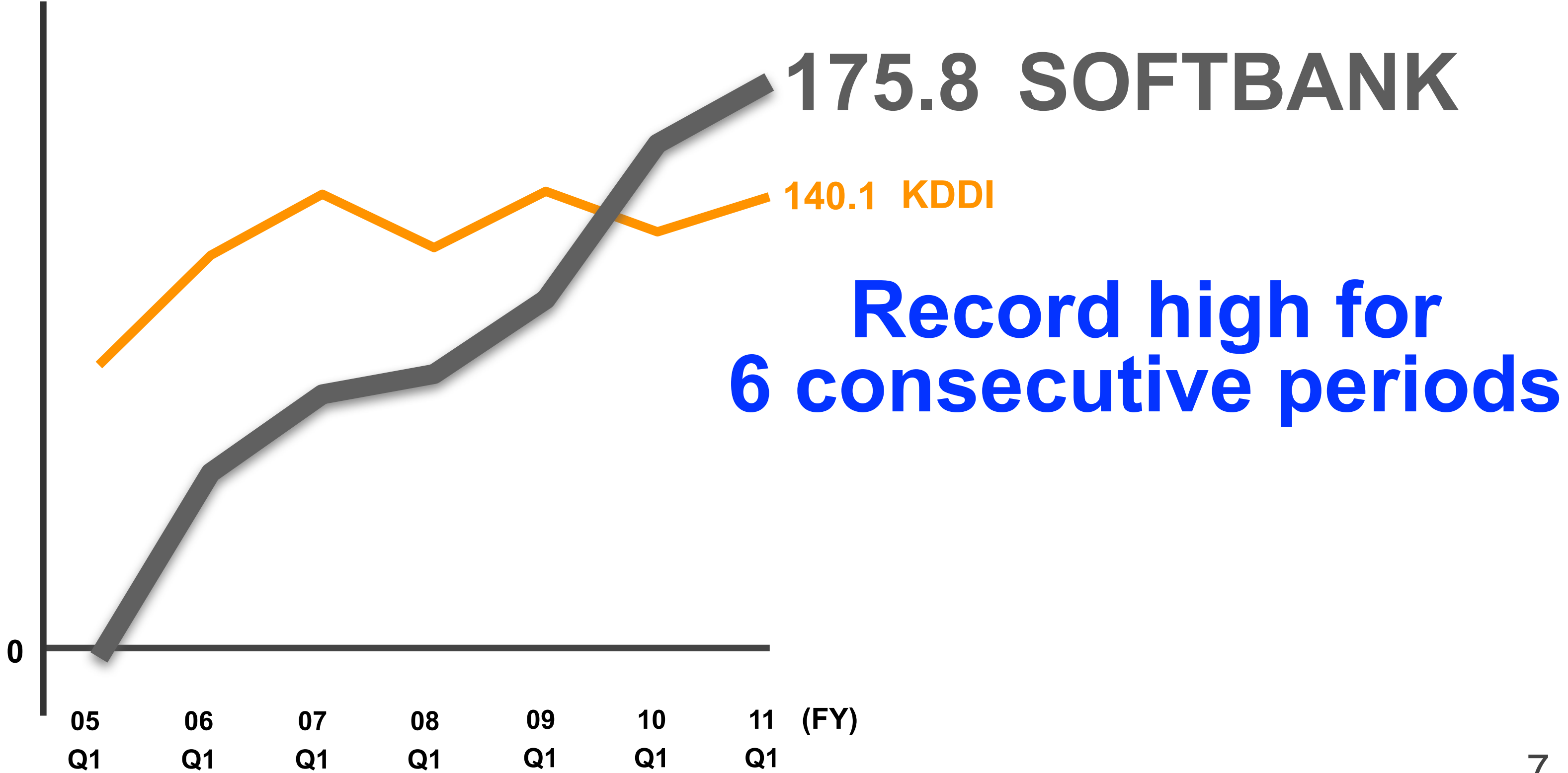
# Consolidated Operating Income (Apr. - June)

(JPY bn)



# Consolidated Operating Income

(JPY bn)



**175.8 SOFTBANK**

**140.1 KDDI**

**Record high for  
6 consecutive periods**

0

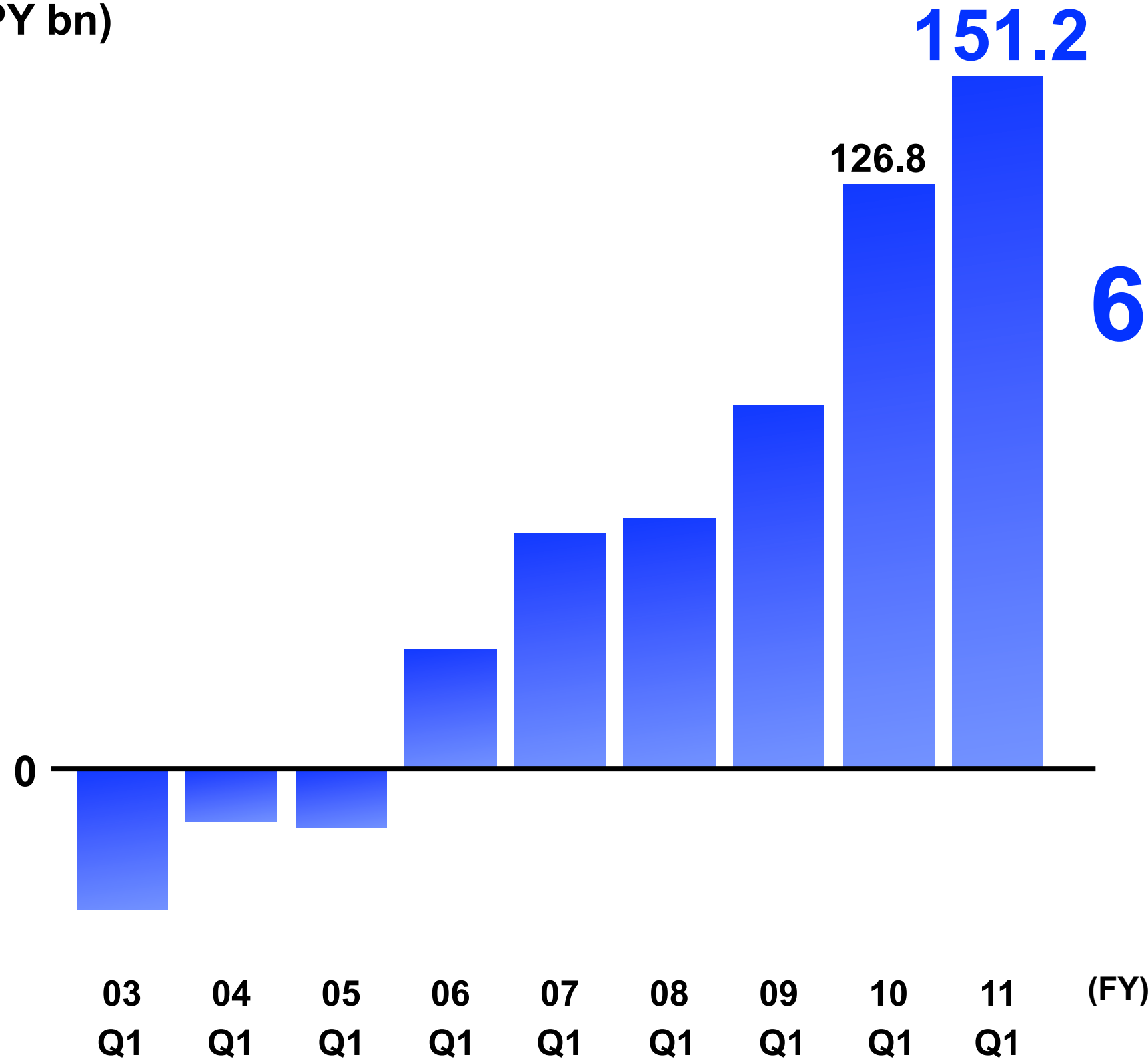
05 Q1    06 Q1    07 Q1    08 Q1    09 Q1    10 Q1    11 Q1 (FY)

\*Created by SOFTBANK CORP. based on respective companies' publicly available information.



# Consolidated Ordinary Income (Apr. - June)

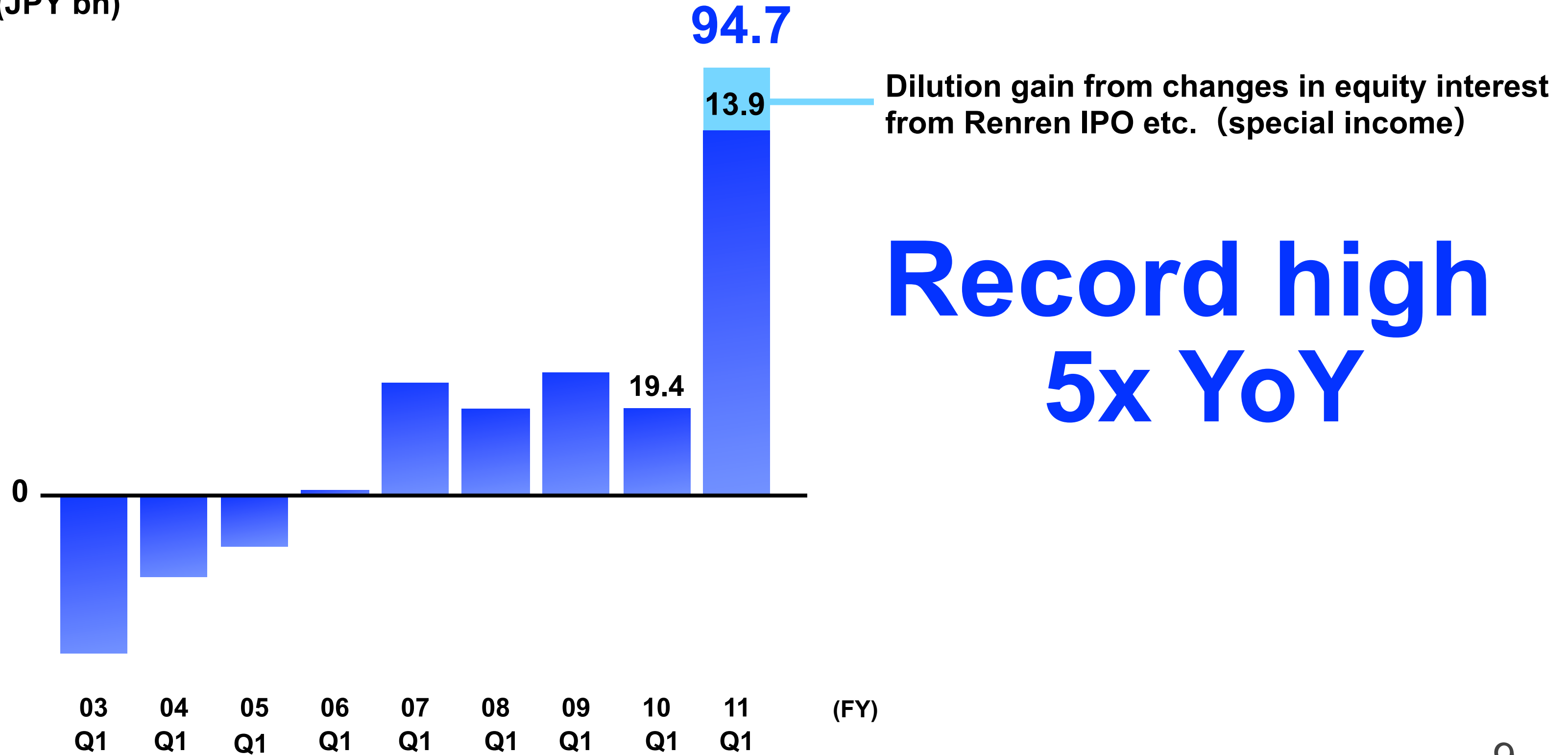
(JPY bn)



**Record high for  
6 consecutive periods  
19% increase**

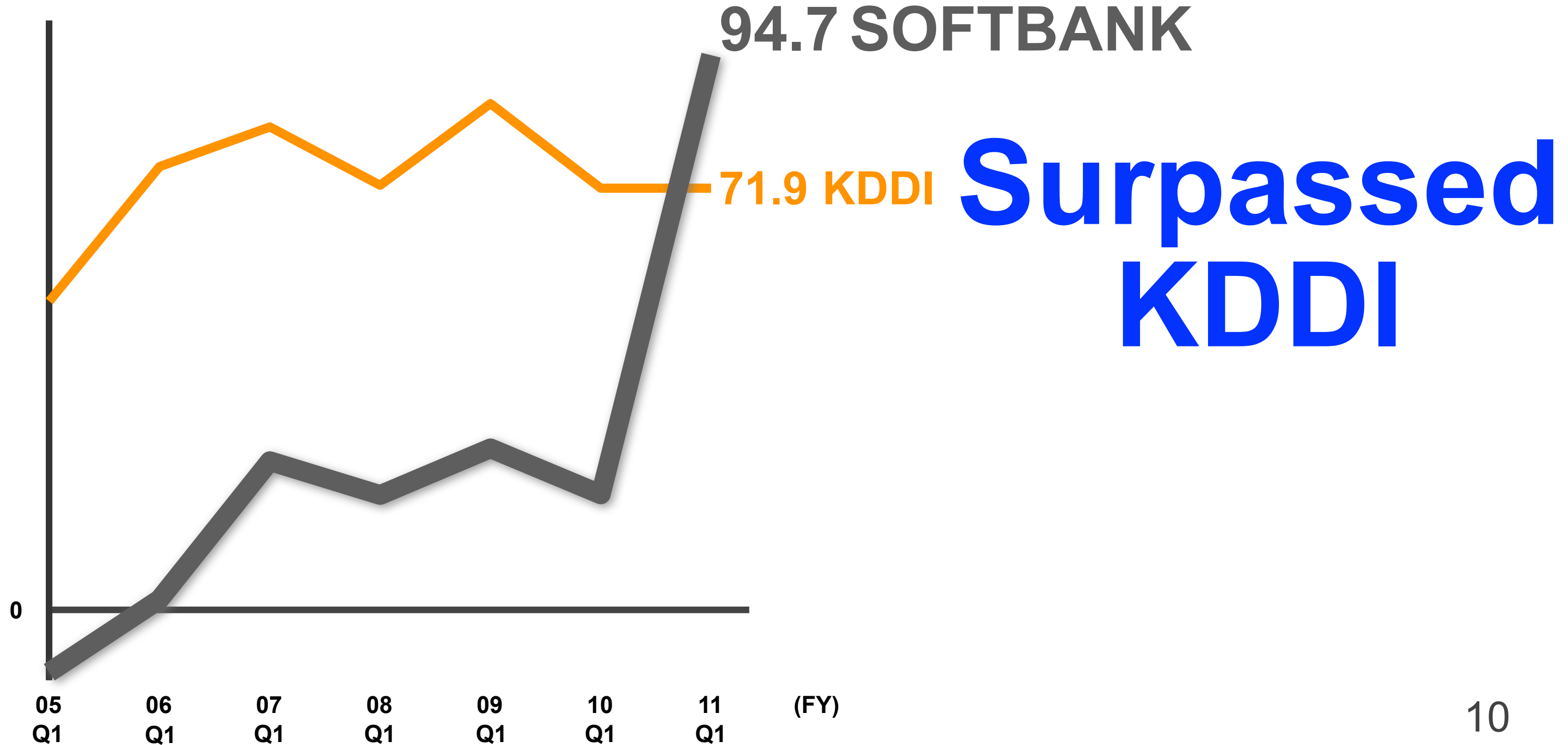
# Consolidated Net Income (Apr. - June)

(JPY bn)



# Consolidated Net Income

(JPY bn)

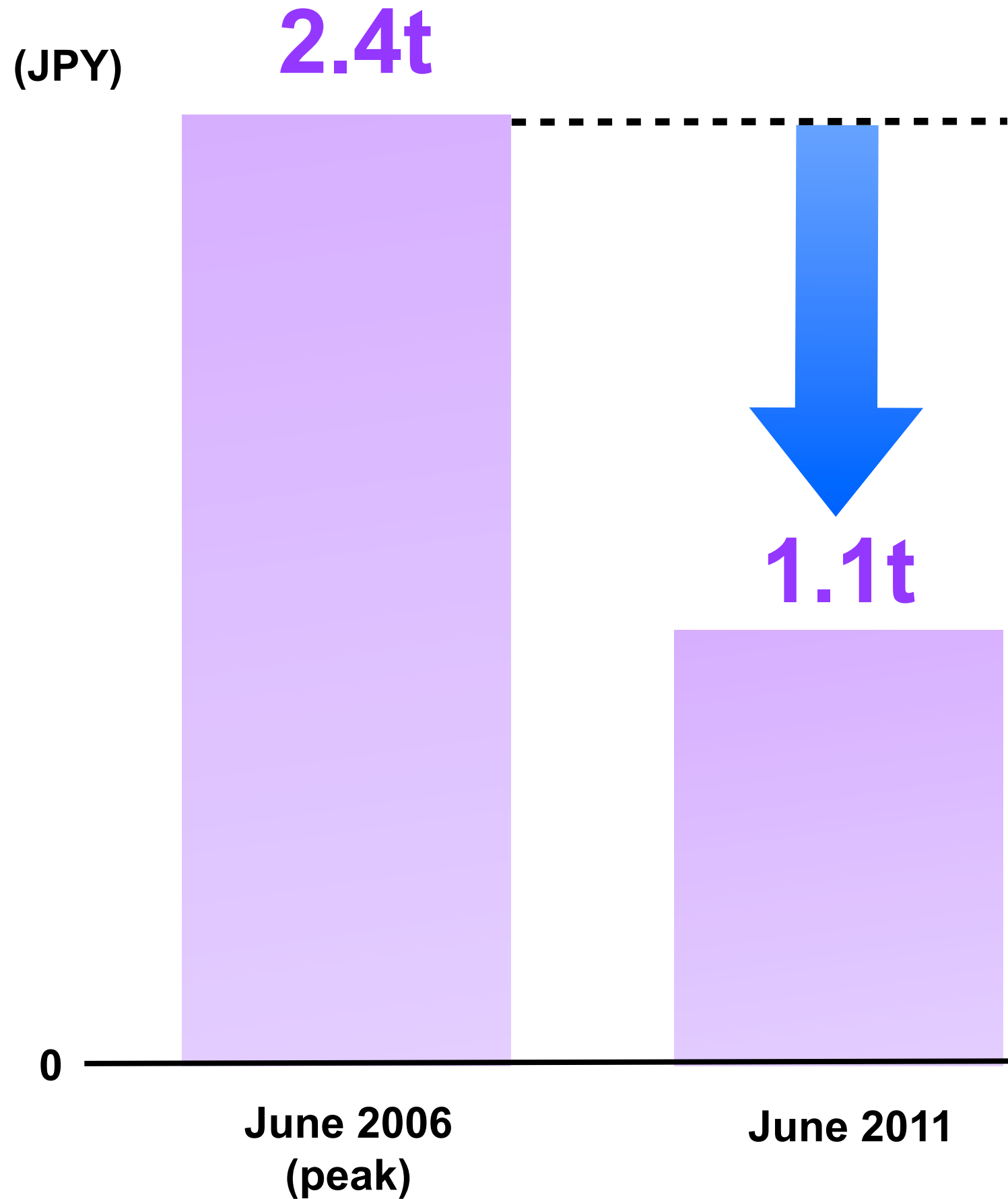


\*Created by SOFTBANK CORP. based on respective companies' publicly available information.

# Cash Flow

(JPY bn)

	<b>FY10/Q1</b> (Apr. - June 10)	<b>FY11/Q1</b> (Apr. - June 11)	<b>Decrement</b>
<b>Operating cash flow</b>	<b>132.9</b>	<b>107.0</b>	<b>(25.9)</b>
<b>Free cash flow</b>	<b>57.7</b>	<b>30.8</b>	<b>(26.9)</b>
<b>Impact of the sales of installment sales receivables</b> (reason for increase in cash flow)	<b>+64.6</b>	<b>+26.2</b>	<b>(38.3)</b>



# Consolidated Net Interest-bearing Debt

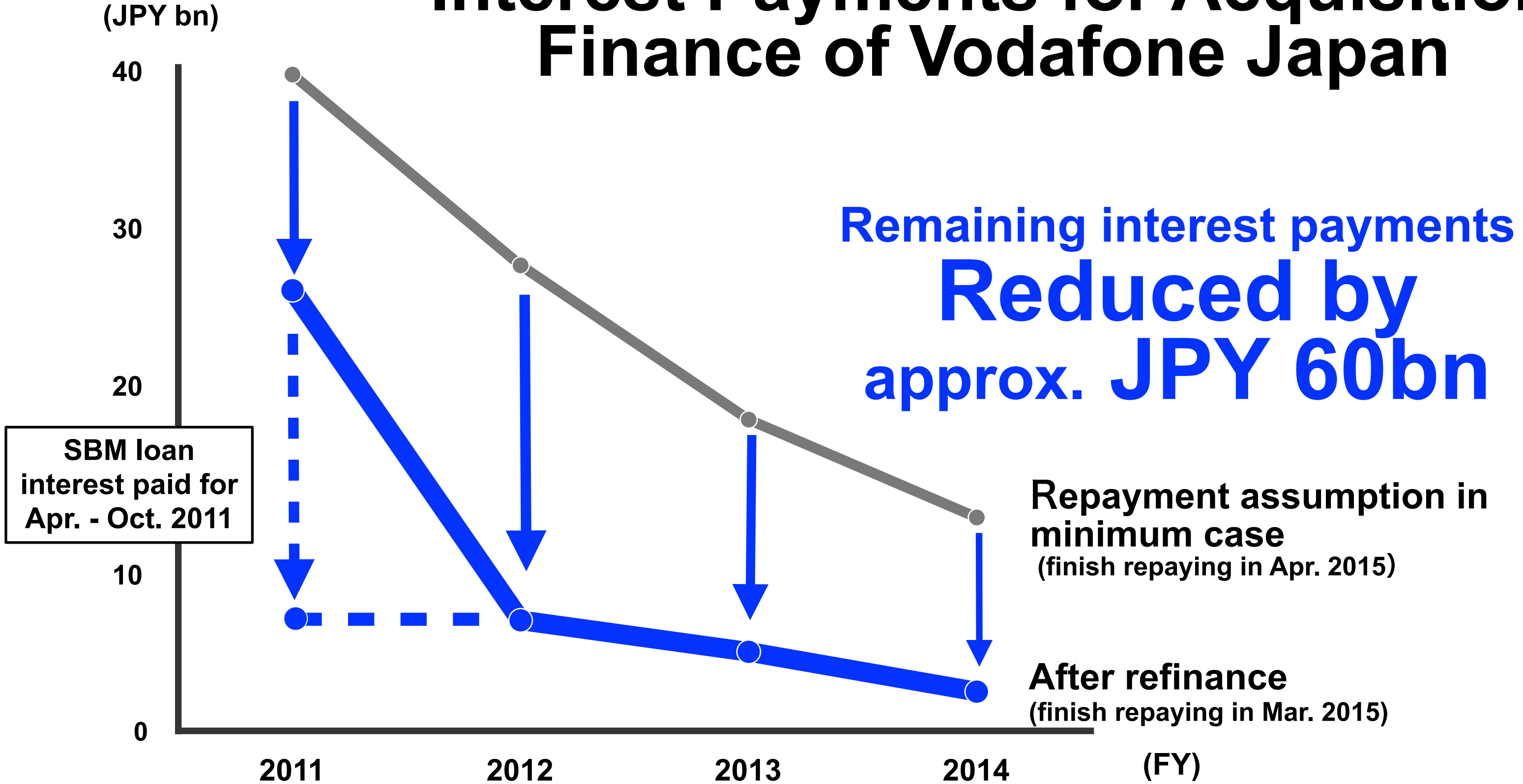
**JPY 1.3t  
reduction  
in 5 years**

# Refinance of Acquisition Finance of Vodafone Japan

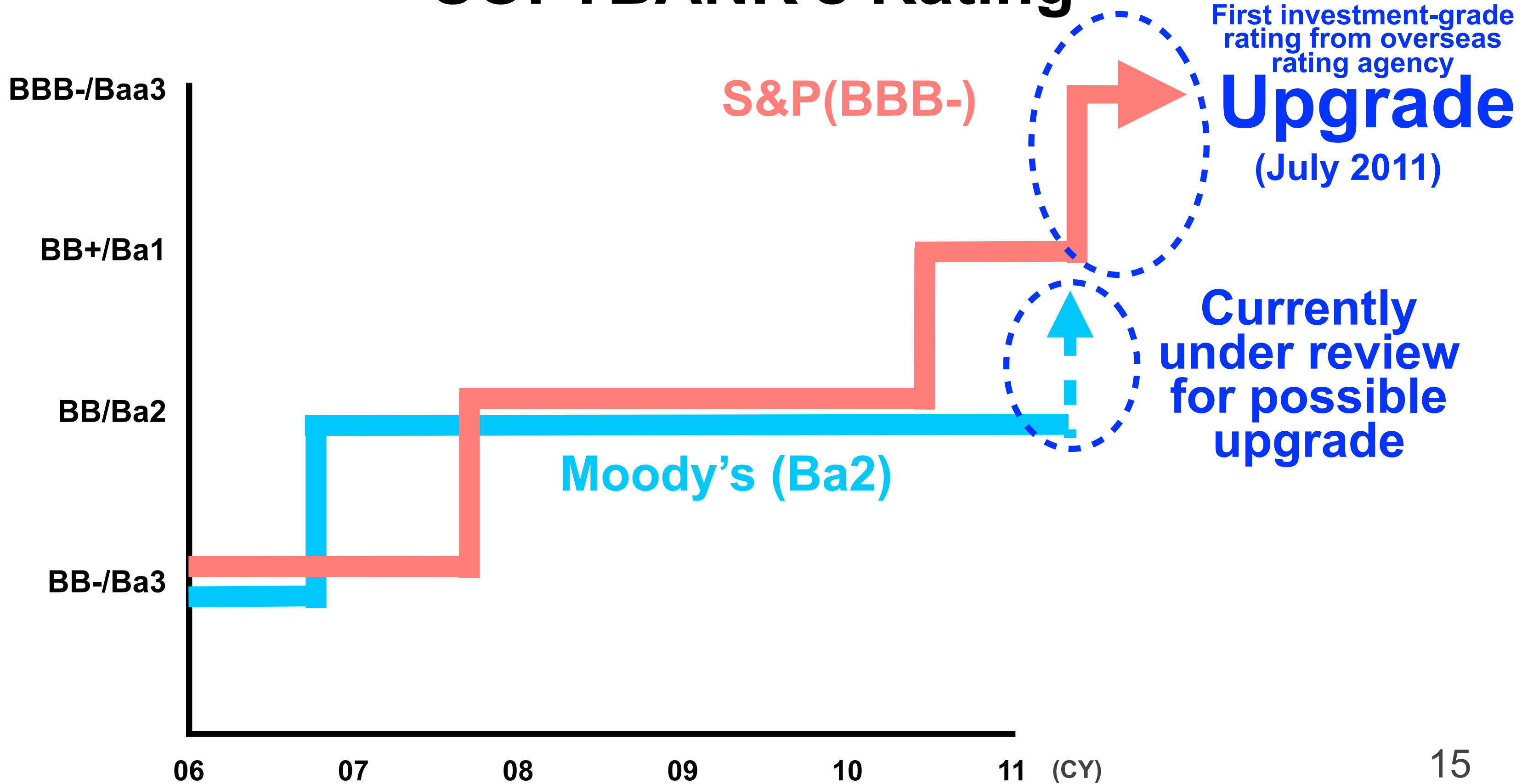
	<b>SBM Loan</b>	<b>After Refinance</b>
<b>Borrower</b>	<b>SOFTBANK MOBILE</b>	<b>SOFTBANK</b>
<b>Scheme</b>	<b>Whole business securitization</b>	<b>Syndicated loan</b>
<b>Interest rate</b> (weighted average)	<b>Approx. 5%</b> (as of June 2011)	<b>Approx. 1.4%</b> (at inception)
<b>Amount</b>	<b>JPY 653.9bn</b> (balance as of the end of June 2011)	<b>JPY 550.0bn</b>
<b>Collateral</b>	<b>Assets of mobile communications business, etc.</b>	<b>Not applicable</b>

**Enhance financial flexibility**

# Interest Payments for Acquisition Finance of Vodafone Japan



# SOFTBANK's Rating



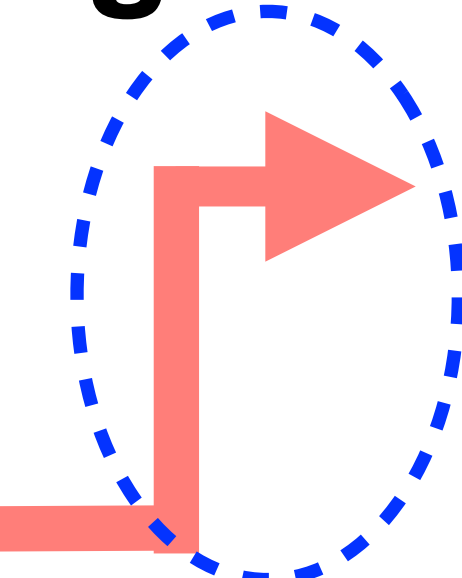
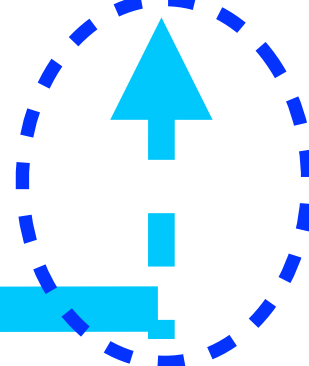
S&P (BBB-)

Moody's (Ba2)

First investment-grade rating from overseas rating agency

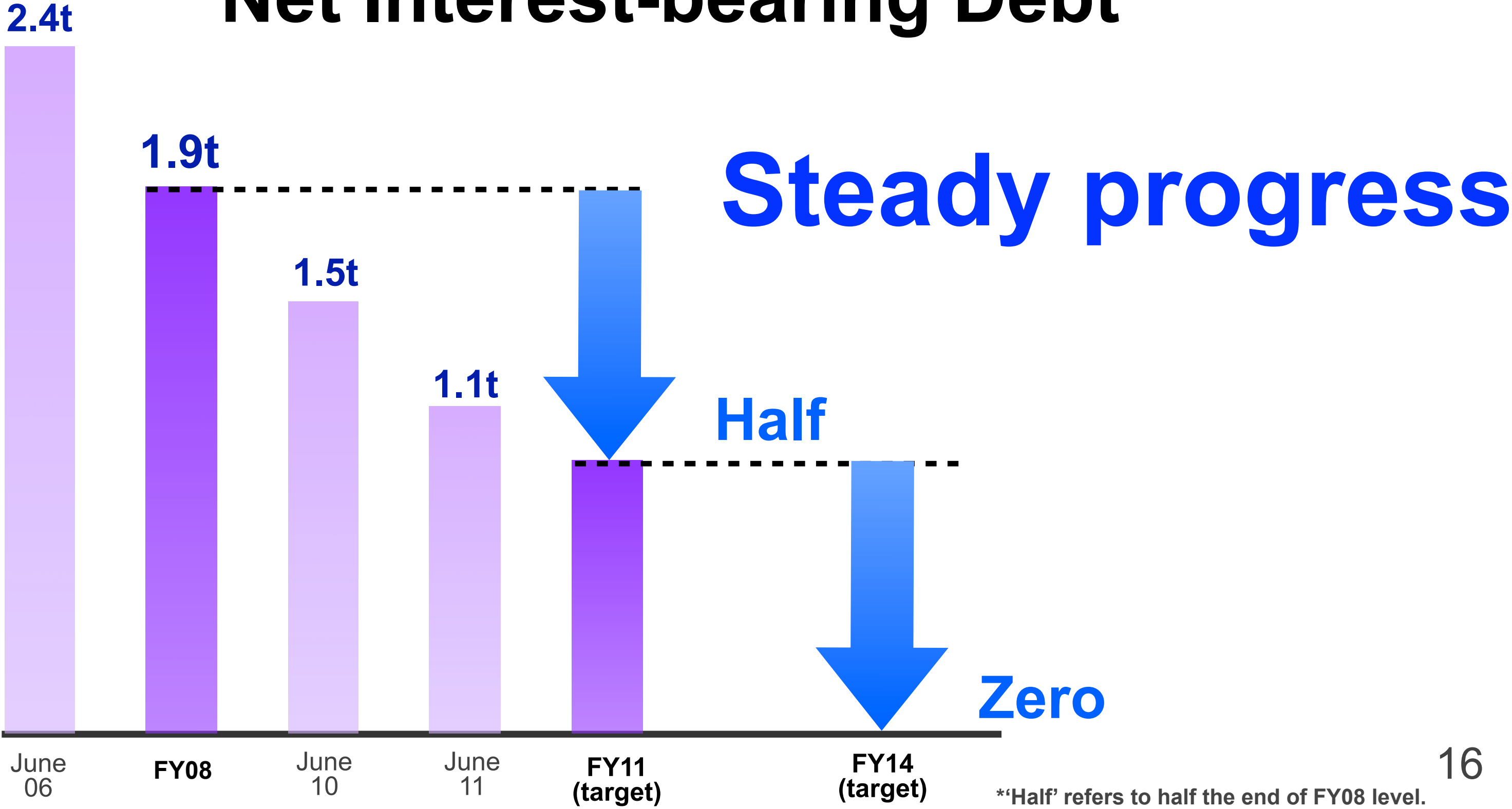
**Upgrade**  
(July 2011)

Currently under review for possible upgrade



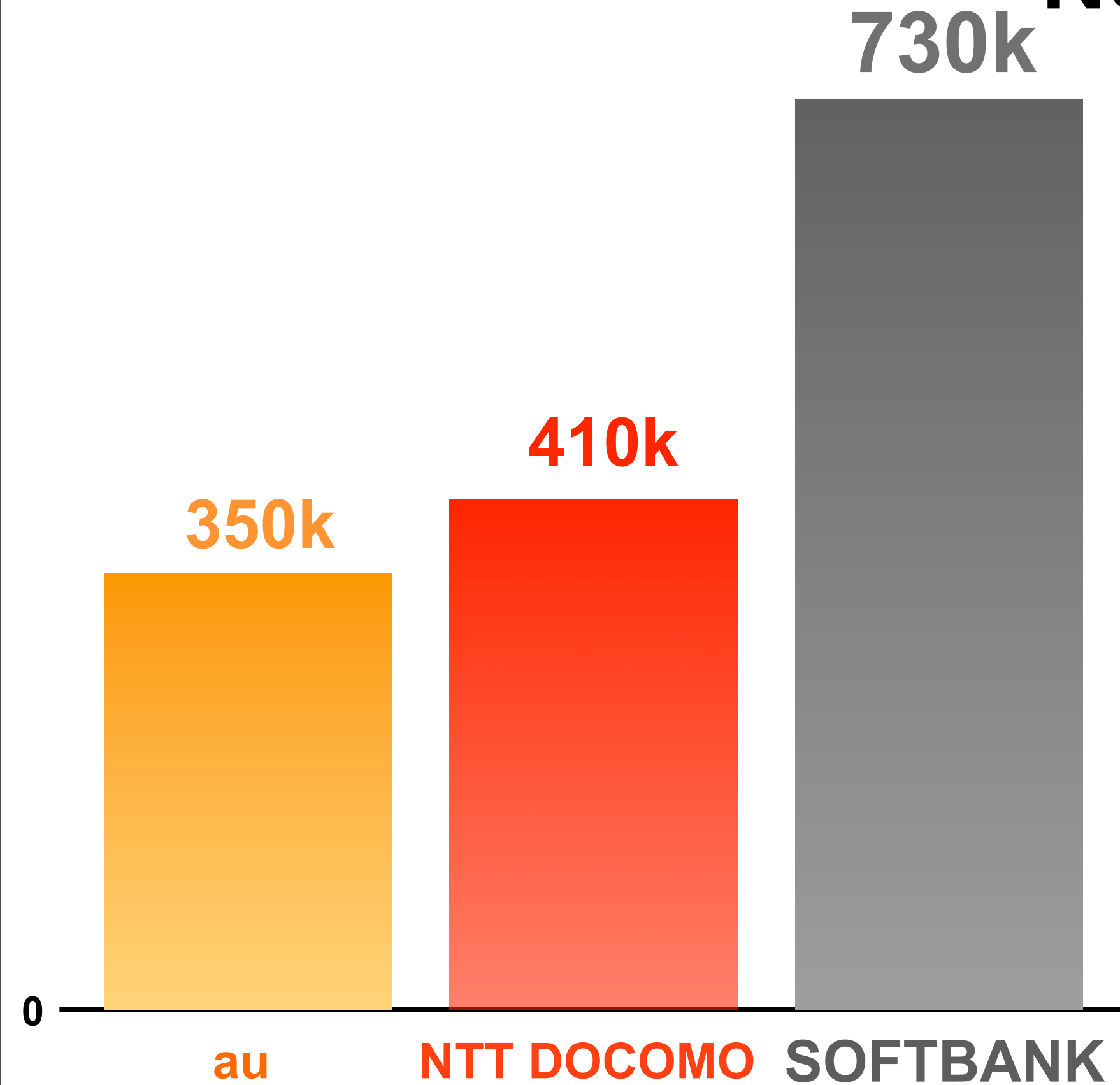


# Commitment to Reduce Net Interest-bearing Debt

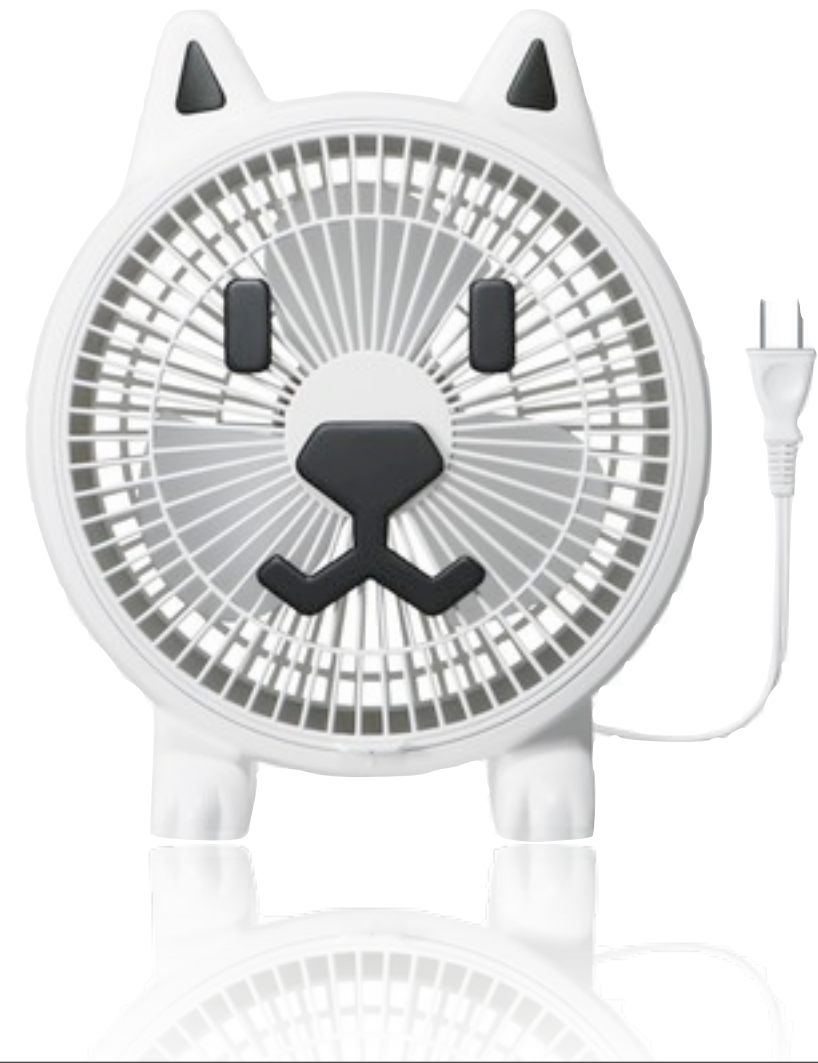


# **Mobile Communications Business**

# Net Subscriber Additions (Apr. - June)

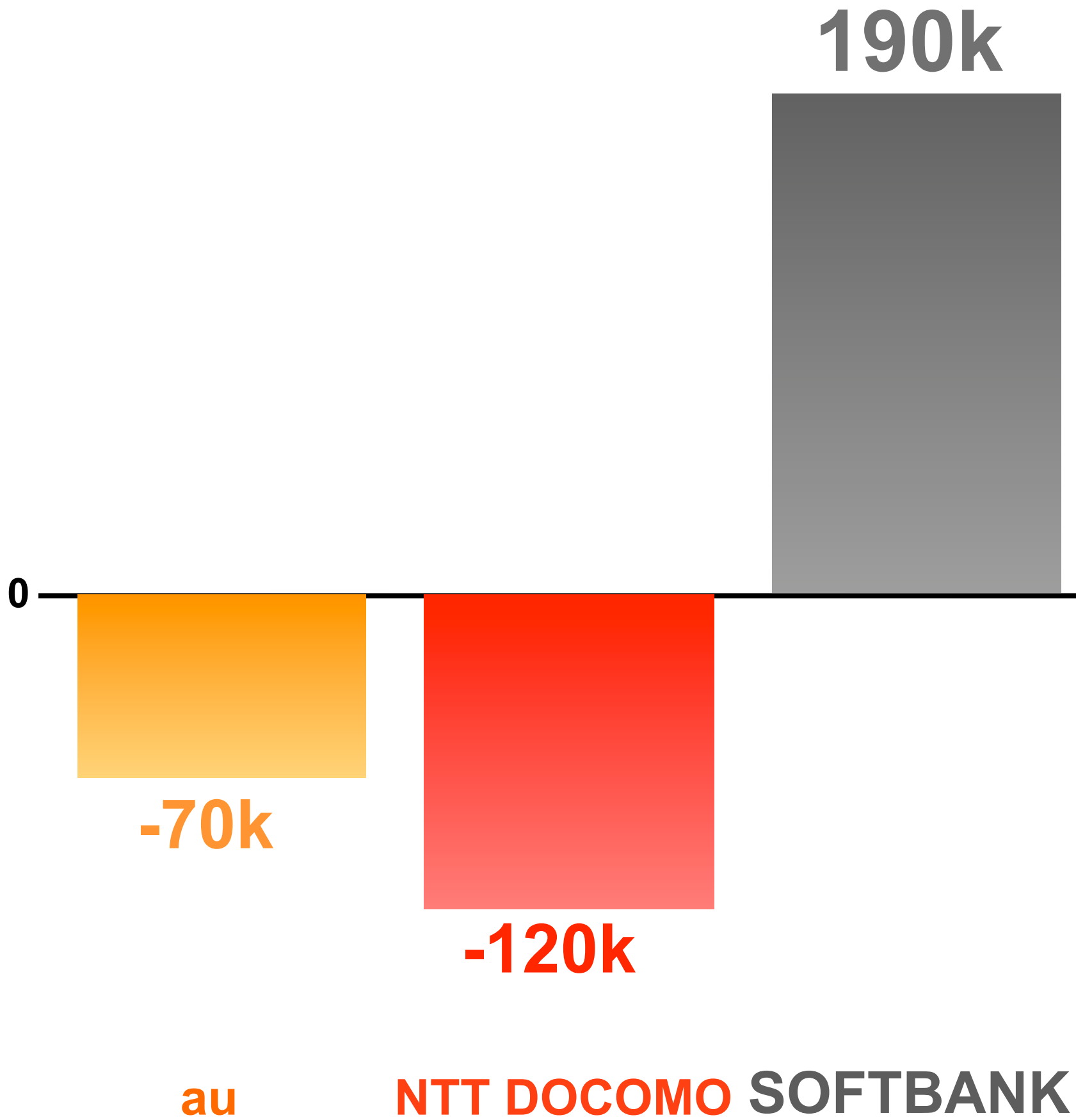


**Overwhelmingly  
No.1**

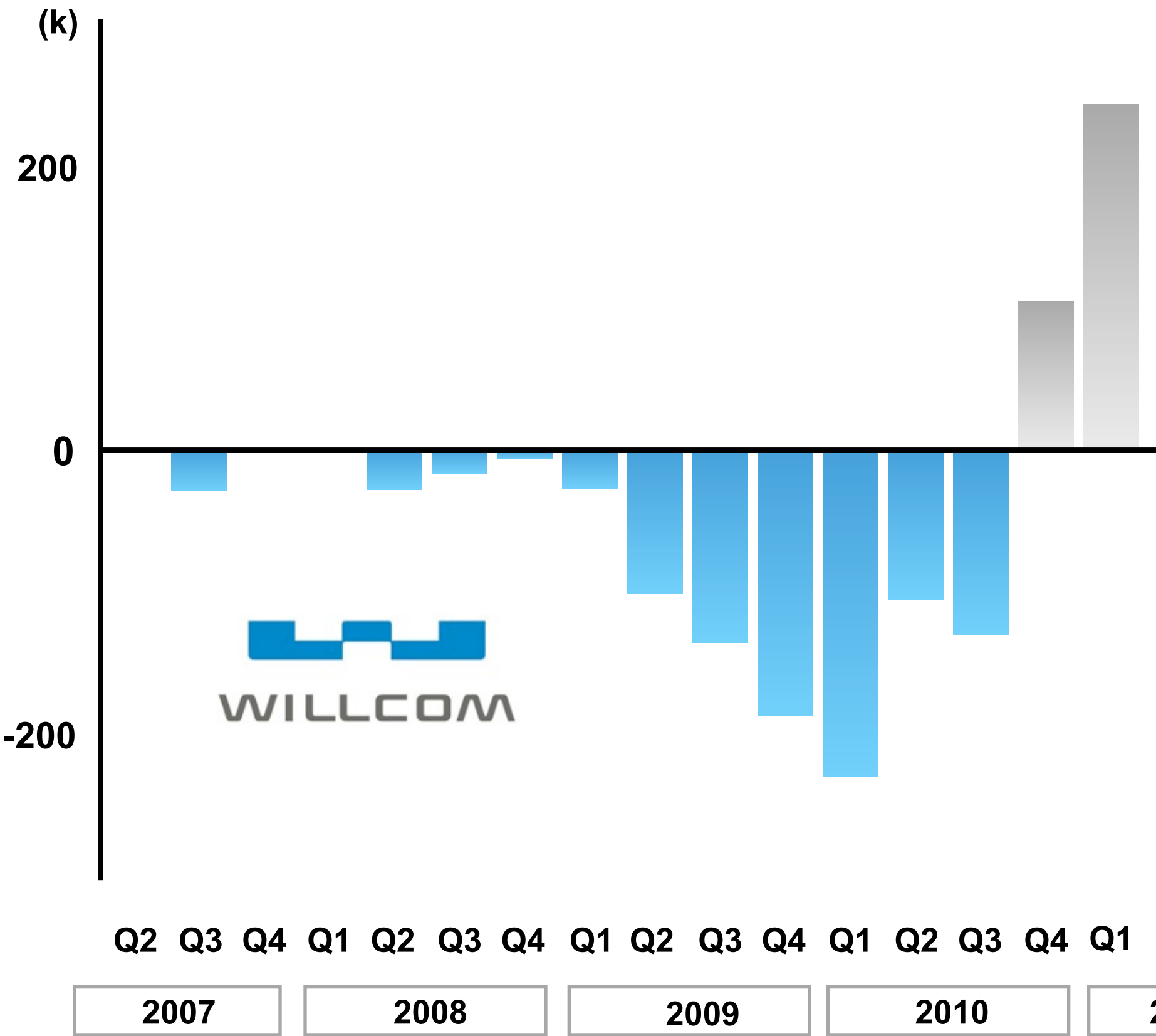


# MNP Port In/Out (Apr. - June)

Only winner



# WILLCOM's Net Additions (Quarterly)

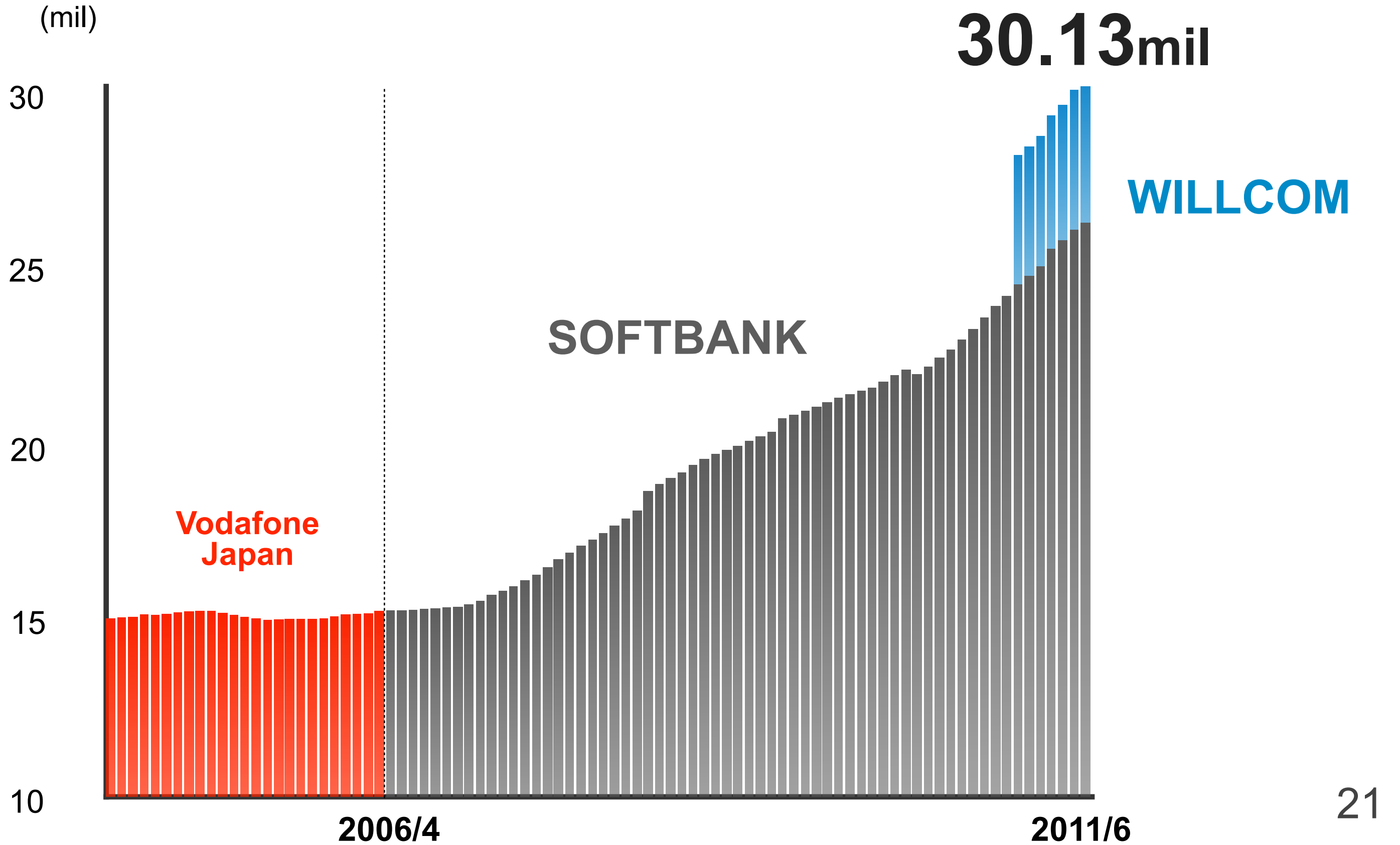


SoftBank

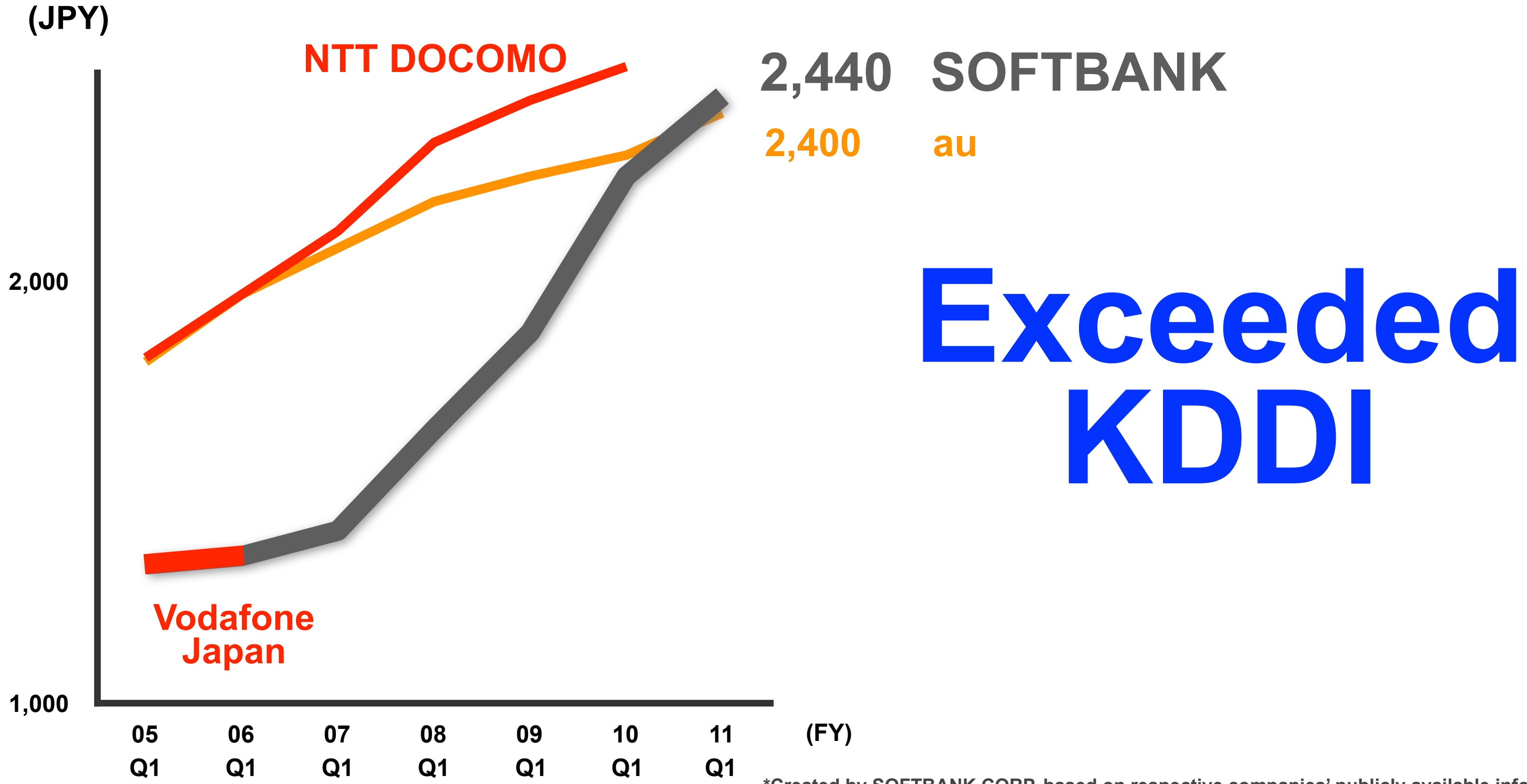
**First >200k net adds in 5 years**



# Cumulative Subscribers

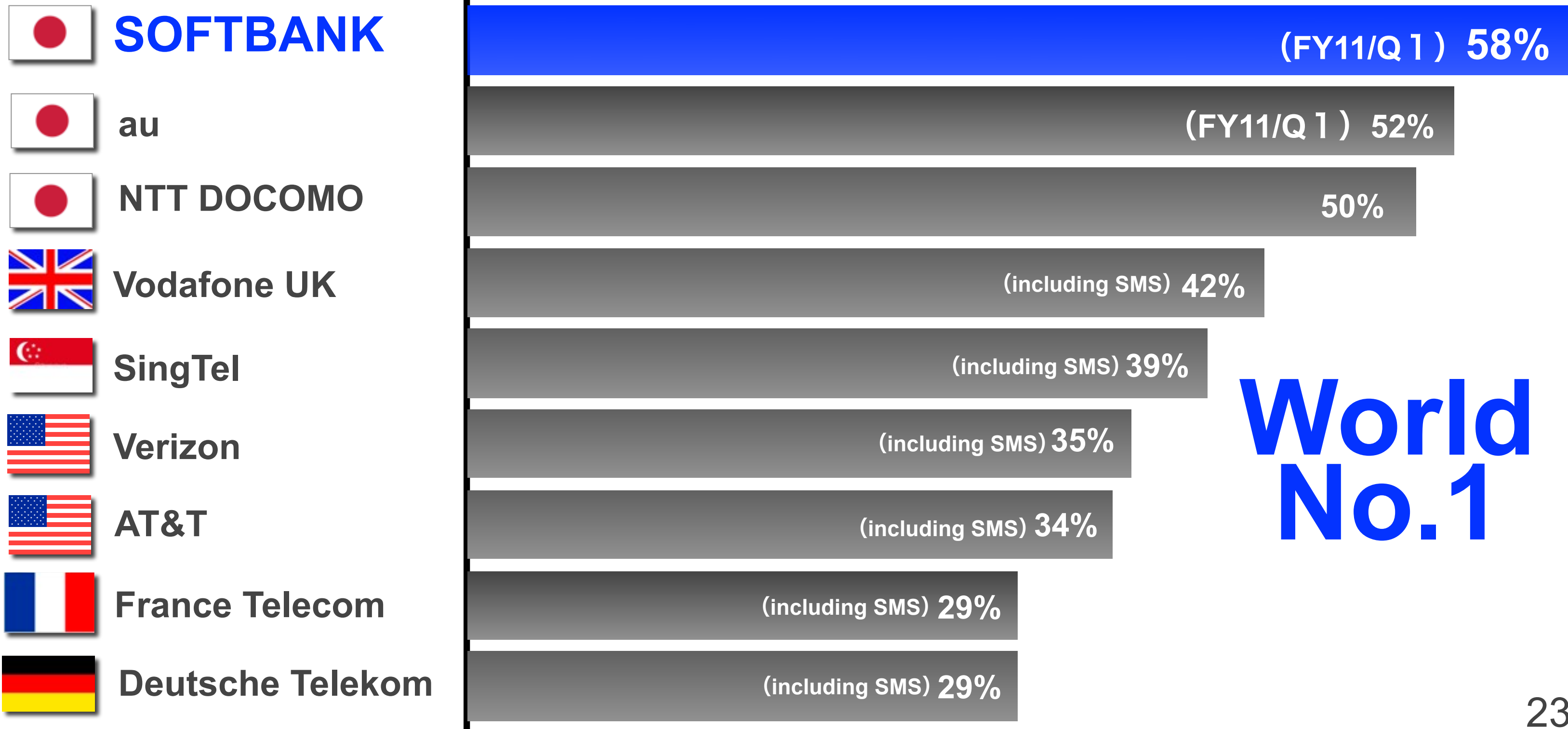


# Data ARPU



\*Created by SOFTBANK CORP. based on respective companies' publicly available information.

# Data ARPU Ratio (FY2010)

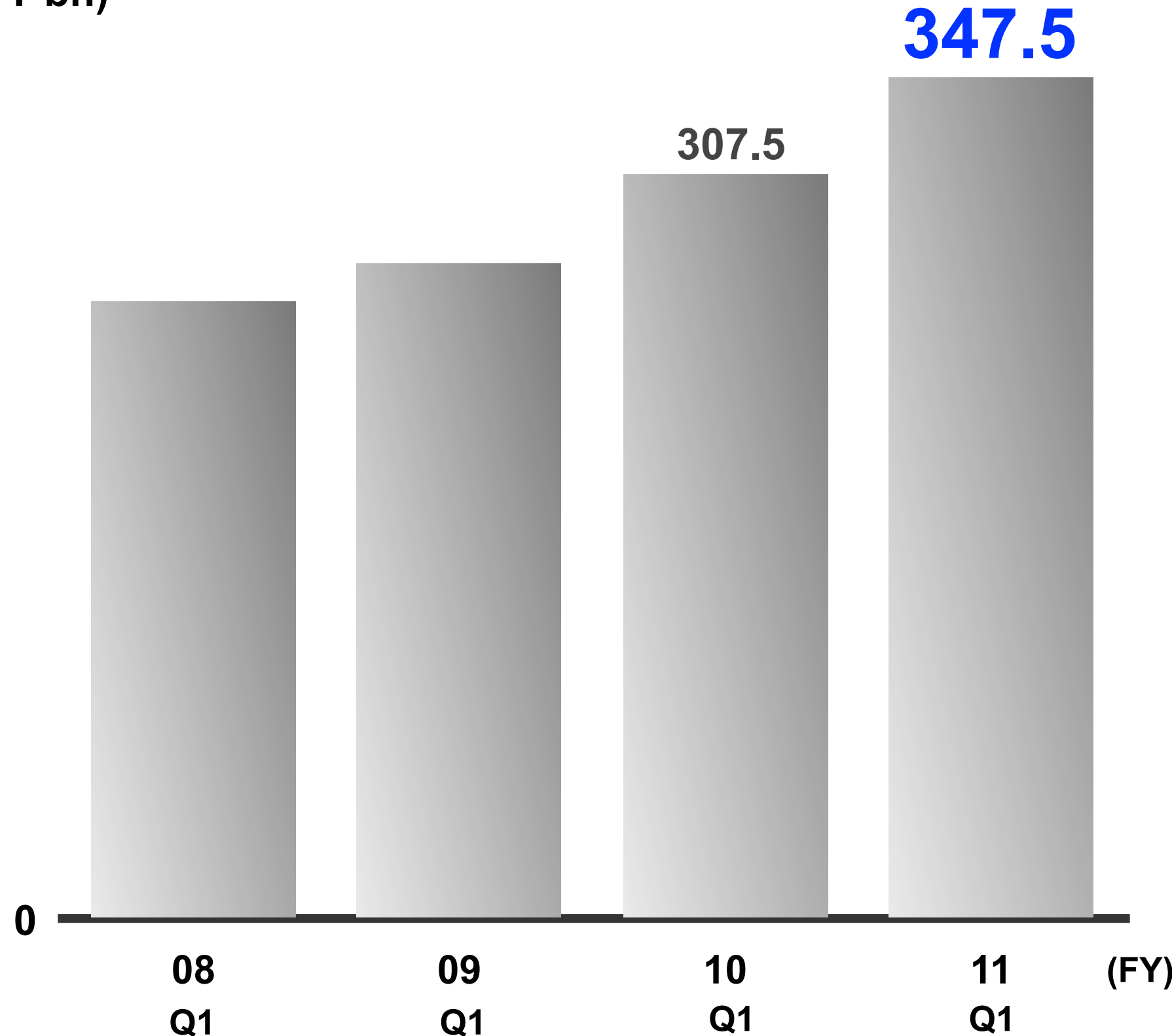


\*Comparison of global mobile operators with highest market cap.



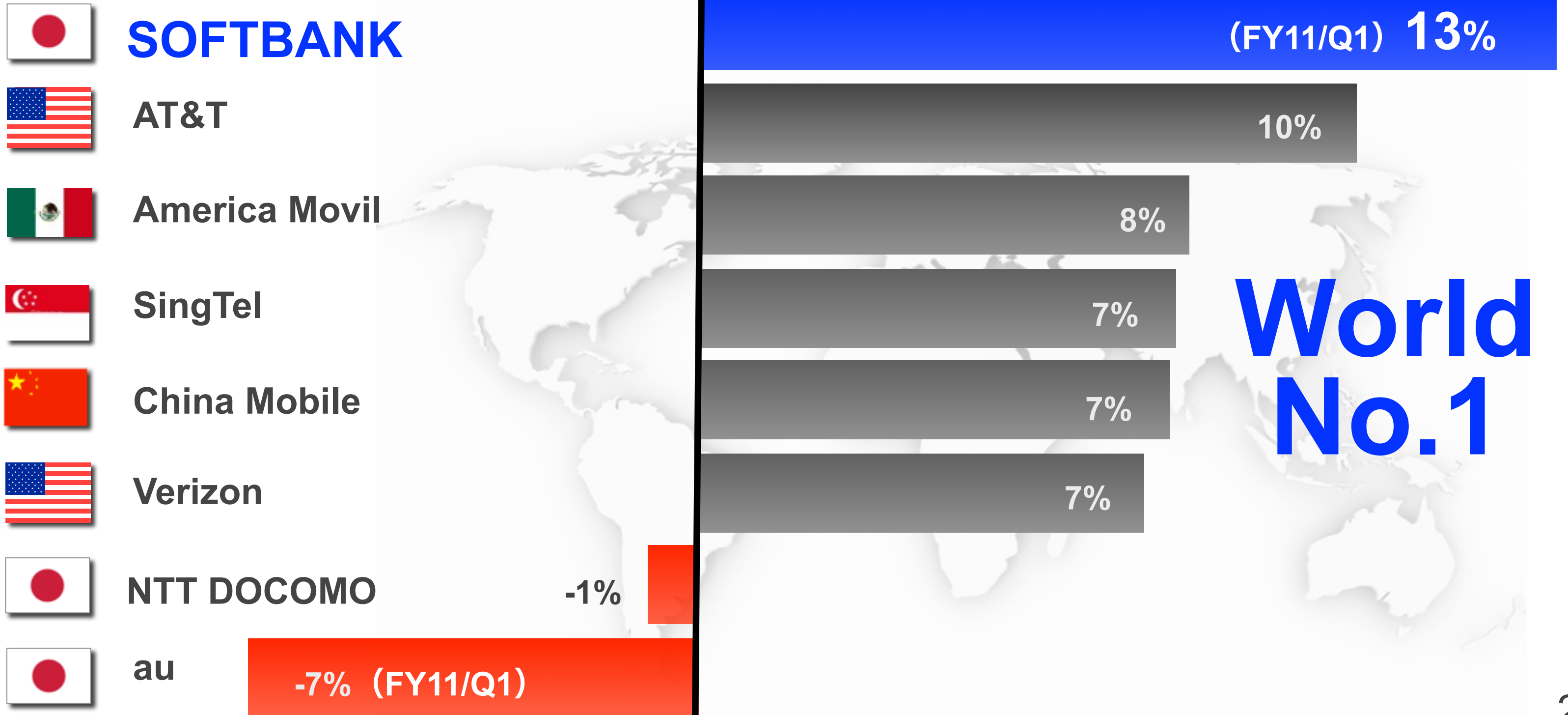
# Mobile Communications Business Telecom Revenue (Apr. - June)

(JPY bn)



**Sustaining growth  
13% increase YoY**

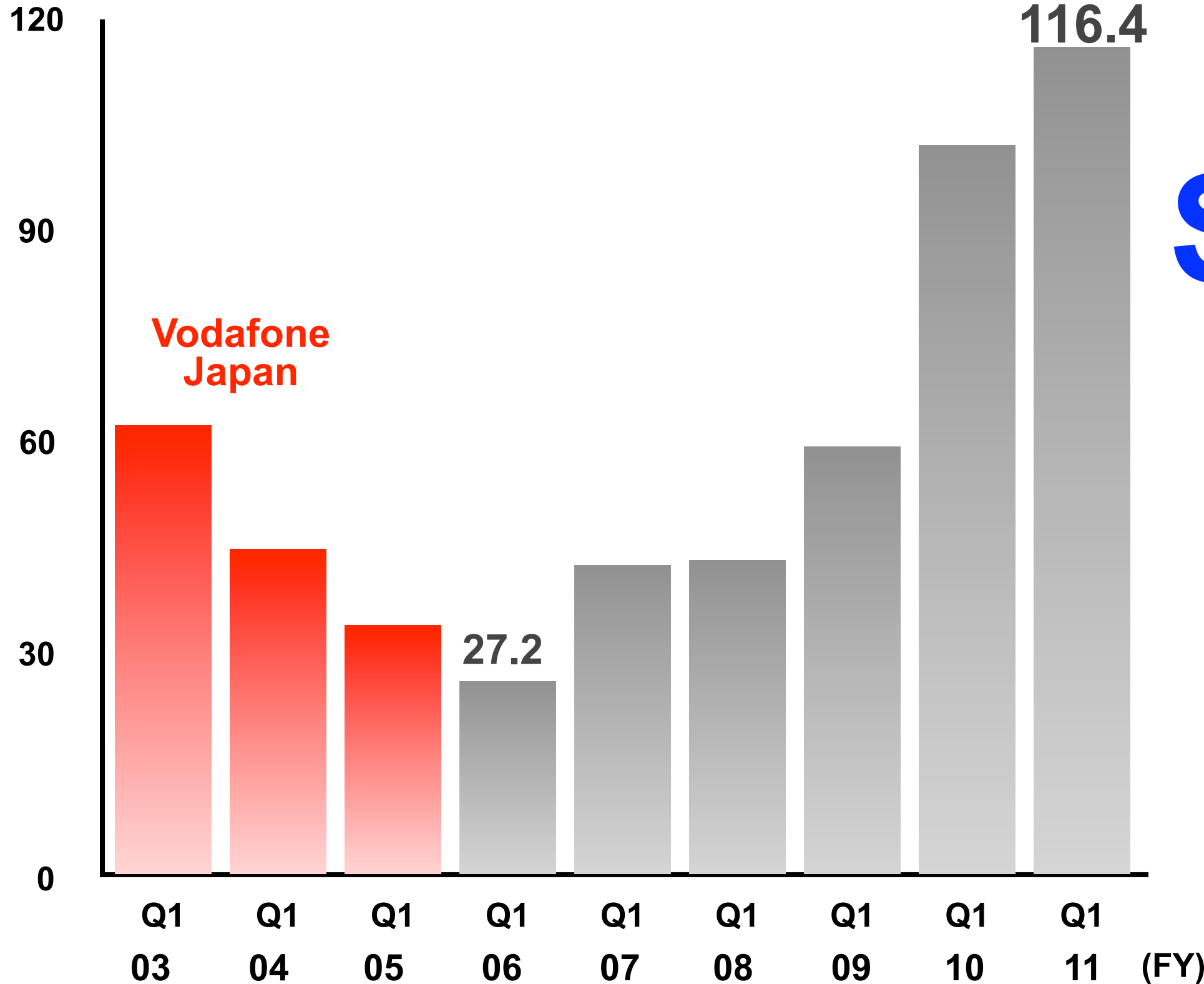
# Telecom Revenue Rate of Increment (FY2010)



\*Comparison of global mobile operators with highest market cap.

# Mobile Communications Business Operating Income

(JPY bn)



**Significant  
increase**

\*FY03-05 data created by SOFTBANK CORP.  
based on Vodafone K.K. company data.

# CM Preference Ranking

**Won Triple Crown**

**28 times/ 33 surveys**

After change of brand to SoftBank  
in October 2006



Triple Crown Winners (by company/brand/production)			
Nov. 2006	SoftBank	June 2009	SoftBank
June 2007	NTT DOCOMO	Aug. 2009	SoftBank
Aug. 2007	SoftBank	Oct. 2009	Aflac
Sept. 2007	SoftBank	Jan. 2010	SoftBank
Oct. 2007	SoftBank	Mar. 2010	SoftBank
Nov. 2007	SoftBank	Sept. 2010	SoftBank
Jan. 2008	SoftBank	Oct. 2010	SoftBank
Feb. 2008	SoftBank	Nov. 2010	SoftBank
Mar. 2008	SoftBank	Dec. 2010	SoftBank
June 2008	SoftBank	Jan. 2011	SoftBank
July 2008	SoftBank	Feb. 2011	SoftBank
Sept. 2008	SoftBank	Mar. 2011	AC JAPAN
Oct. 2008	SoftBank	Apr. 2011	AC JAPAN
Nov. 2008	SoftBank	May 2011	SoftBank
Dec. 2008	SoftBank	June 2011	SoftBank
Feb. 2009	NTT DOCOMO	July 2011	SoftBank
May 2009	SoftBank		

# Pleasing - Appealing Companies (June)

1st

**SOFTBANK**

2nd

**UNIQLO**

3rd

**LAWSON**

4th

**YAMATO TRANSPORT**

5th

**SUNTORY**

**No.1 for  
3 consecutive  
months**



(Source) Company likability survey issued by Nikkei BP Consulting, Inc. (June).

# Summary of FY2011/Q1



**Revenue & profit increase with record high profit**



**Significantly improved capital structure**



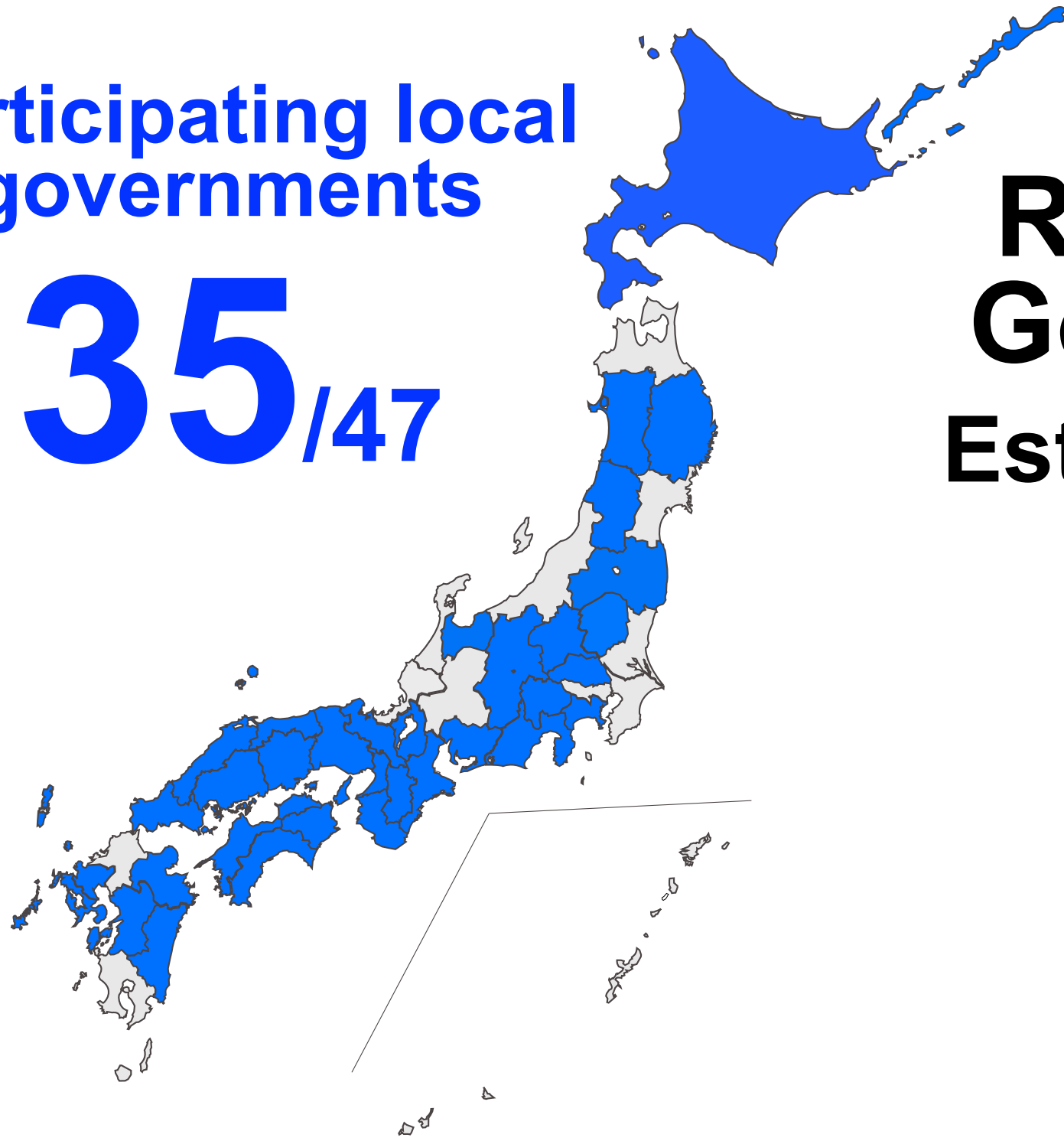
**Continue robust growth trend in mobile communications business**



# Initiatives for Renewable Energy

Participating local governments

35/47



# Renewable Energy Governors' Alliance

Established July 13, 2011





# Model Case Introduction



**Mega solar**



**Wind farm**



**Geothermal**

# Build Mega Solar Test Site



**Obihiro City, Hokkaido**

**Break ground  
in 2011 (plan)**

# **Conditions for Renewable Energy Business**

**No overall change in  
financial commitments**

**Limited impact on  
consolidated results**



# **True Identity of SOFTBANK**

# **Press Conference on Acquisition of Vodafone K.K.**

**March 2006**

Don't call us a telecom  
company.

March 2006



**Distribution**



**Publishing**



**Portal**



**Broadband**



**Fixed-line  
Communications**



**Mobile  
Communications**

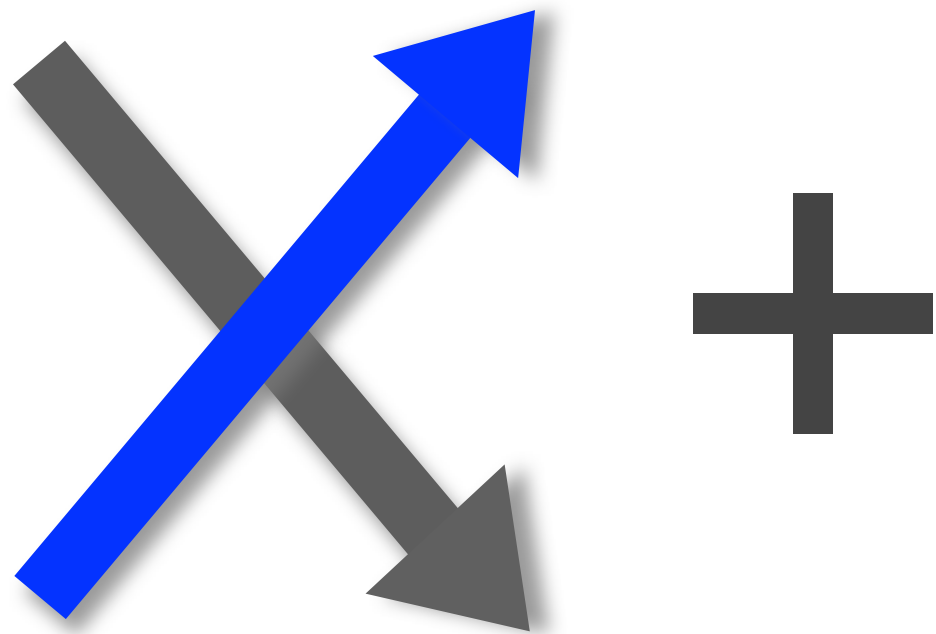


Every business within  
the Group contributes  
to the mission of  
becoming No.1  
Internet company.

July 2011

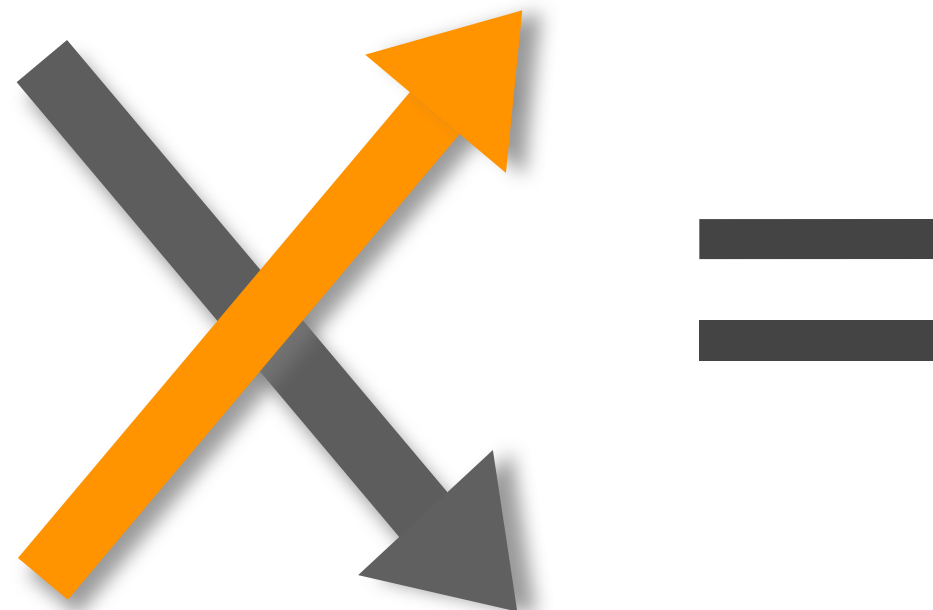
# True Winning Formula

**No.1  
Mobile Internet**



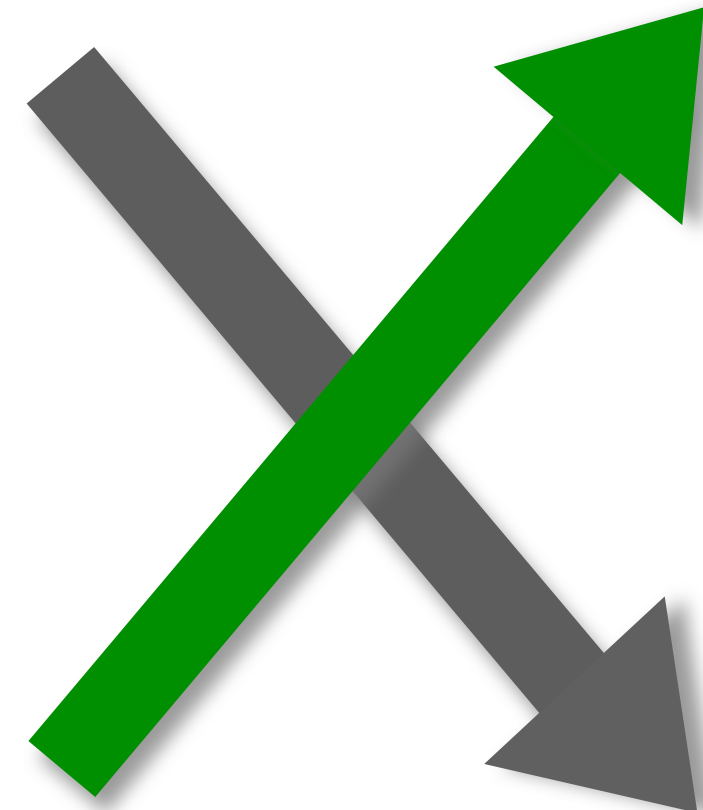
**Competitors**

**No.1  
Asia Internet**



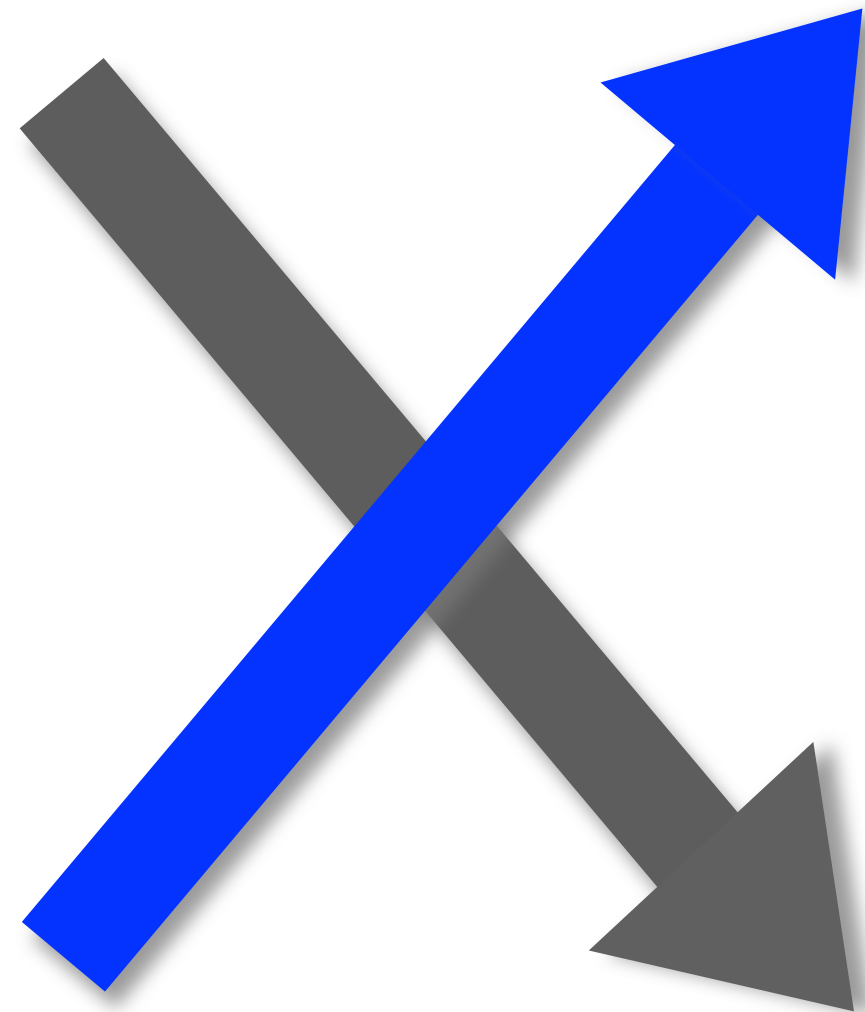
**Competitors**

**No.1  
Global Internet**



**Competitors**

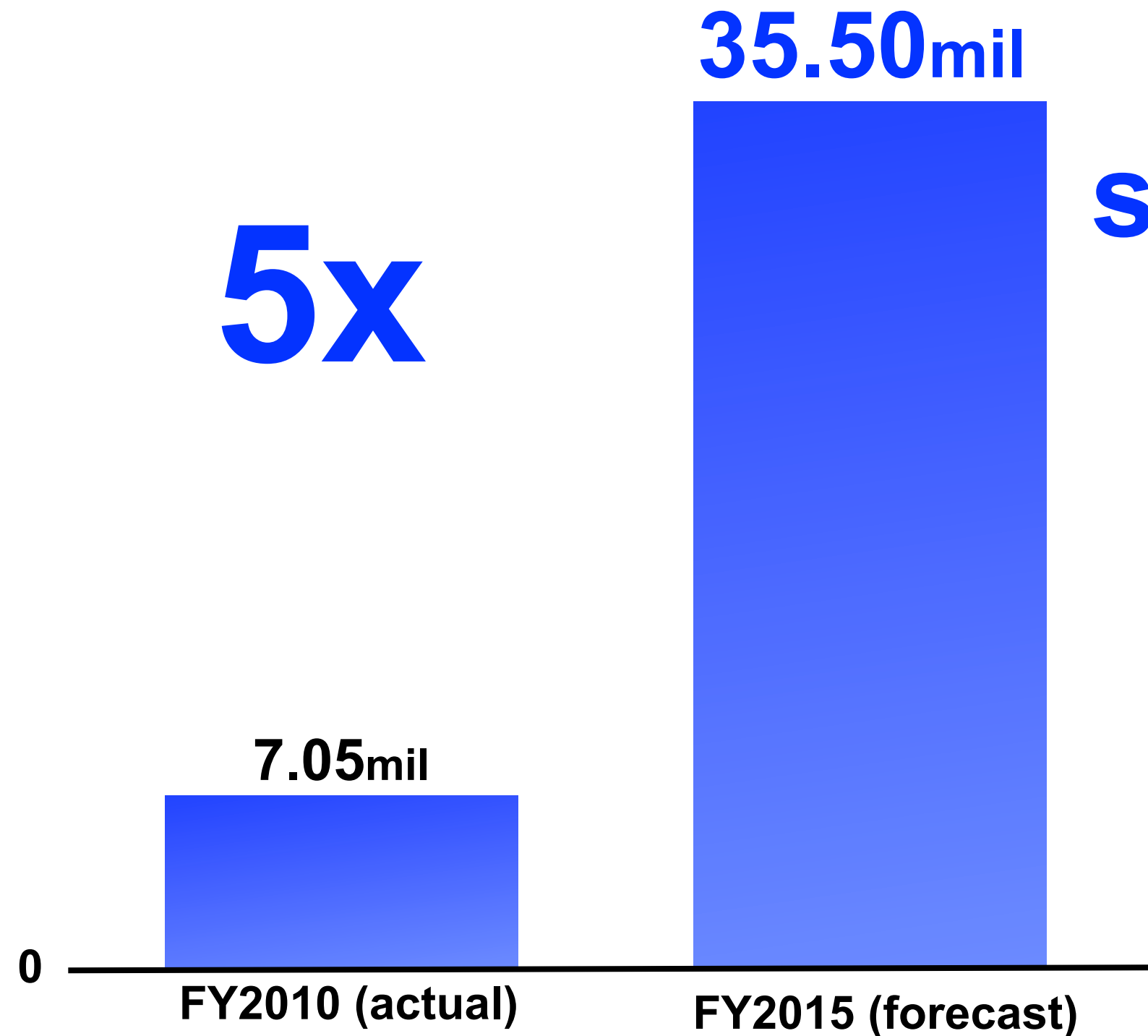
# No.1 Mobile internet



Competitors



# Number of Smartphones Sold in Japan



**Towards  
smartphone boom**



(Source) '2011 Smartphone Business Survey' on June 30, 2011 by Fuji Chimera Research Institute, Inc.

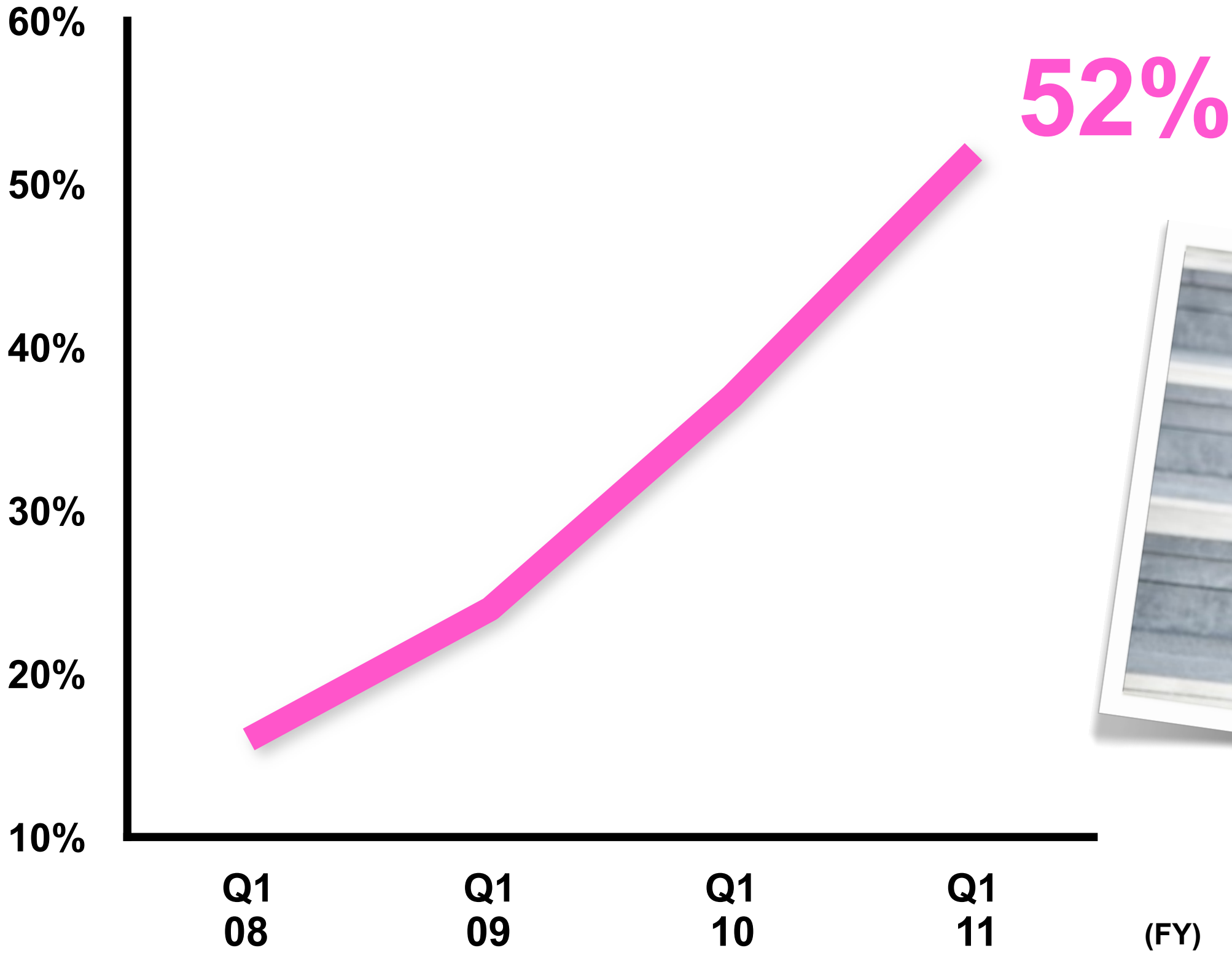
# Number of Smartphones Sold (Apr. - June 2011) (new subscriptions)



**Smartphone  
No.1**

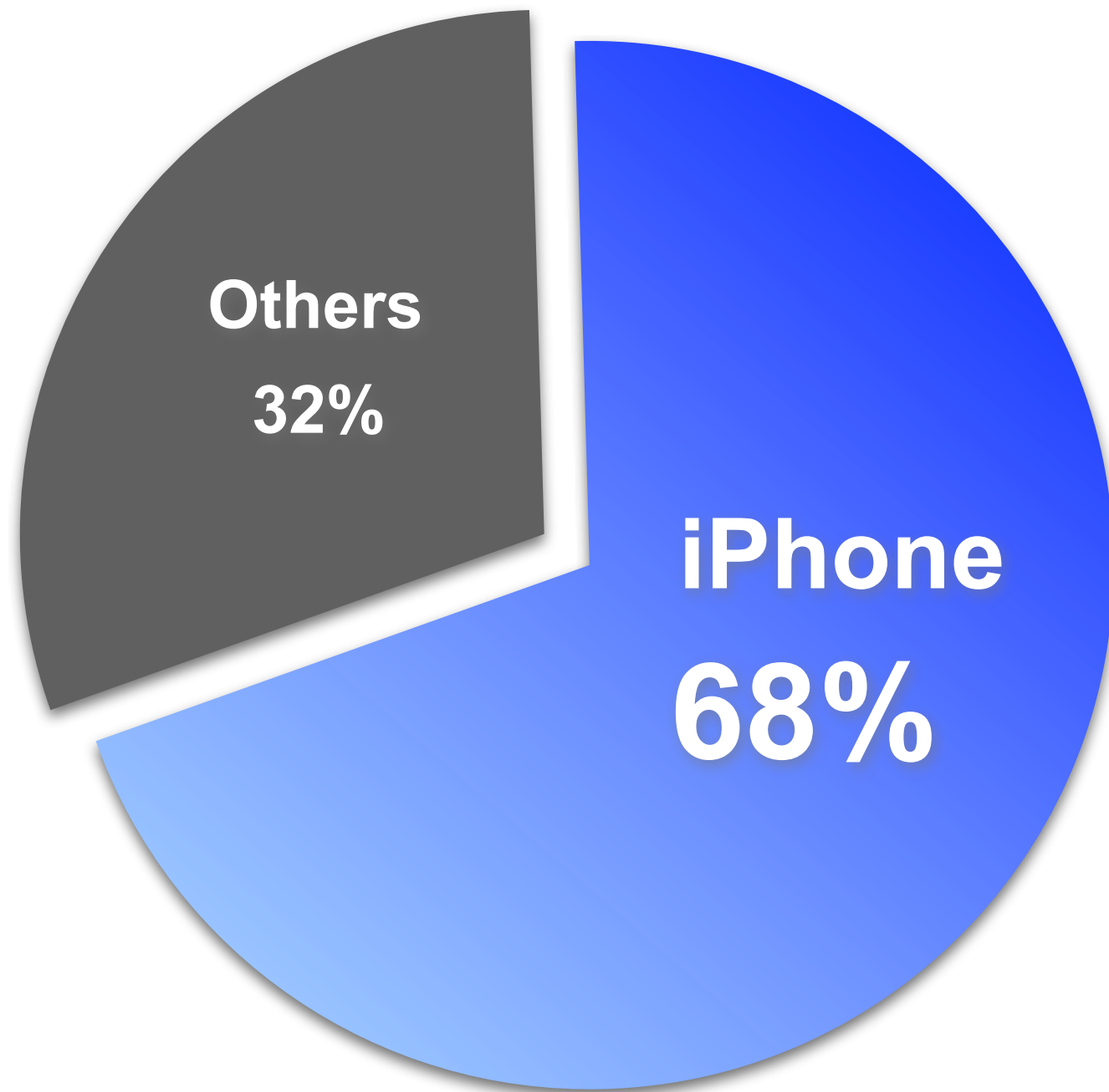
\*External research company's study of the number of handsets sold at major mass appliance retailers.

# Female Users Among New iPhone Subscribers



(FY)

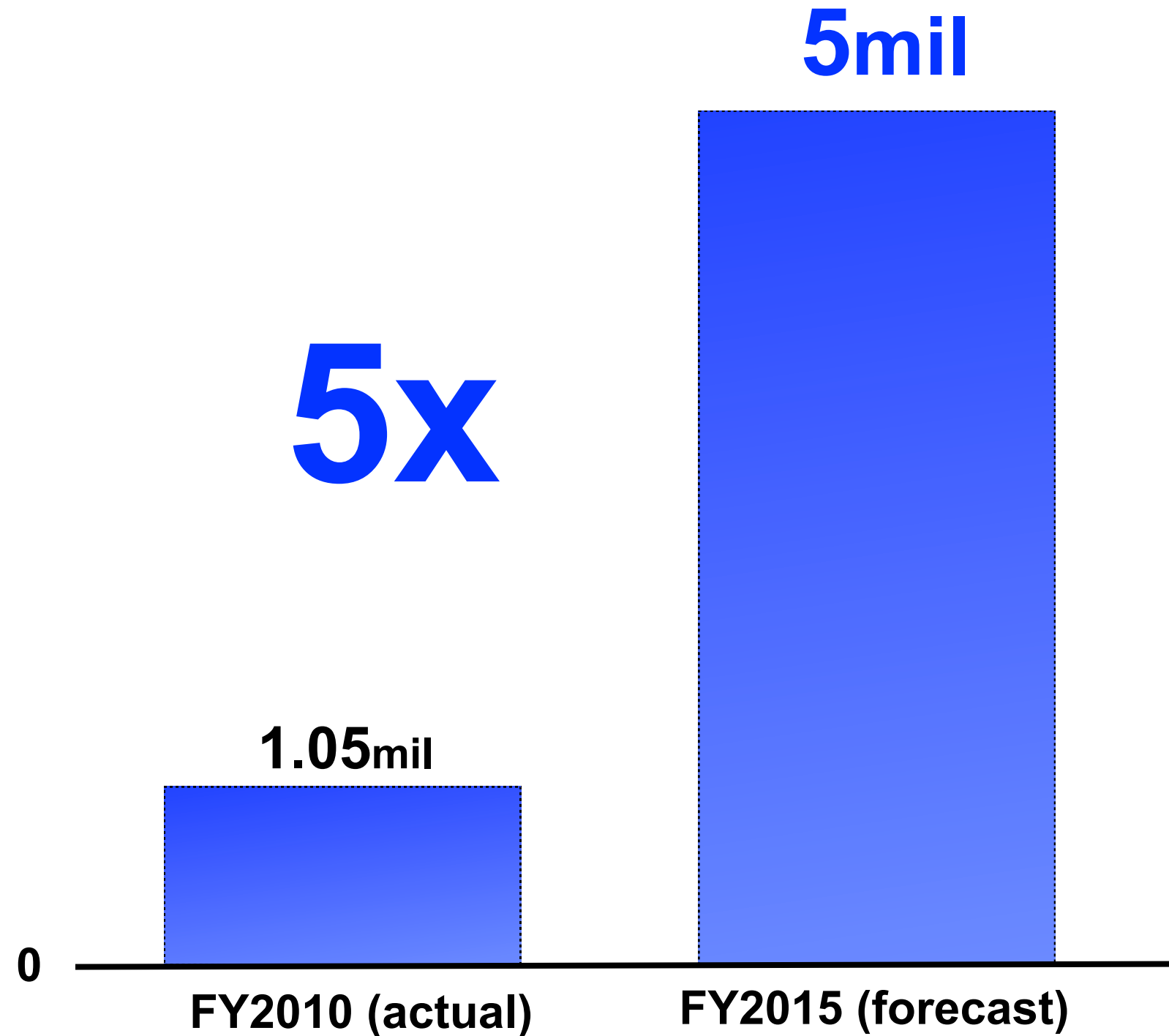
# iPhone User Ratio Among New Student Subscribers (June 2011)



**70% iPhone**



# Number of Tablets Sold in Japan



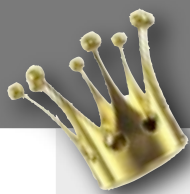
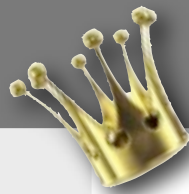

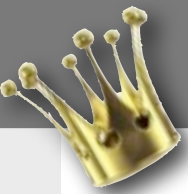


**Towards tablet popularization**



(Source) '2011 Smartphone Business Survey' on June 30, 2011 by Fuji Chimera Research Institute, Inc.



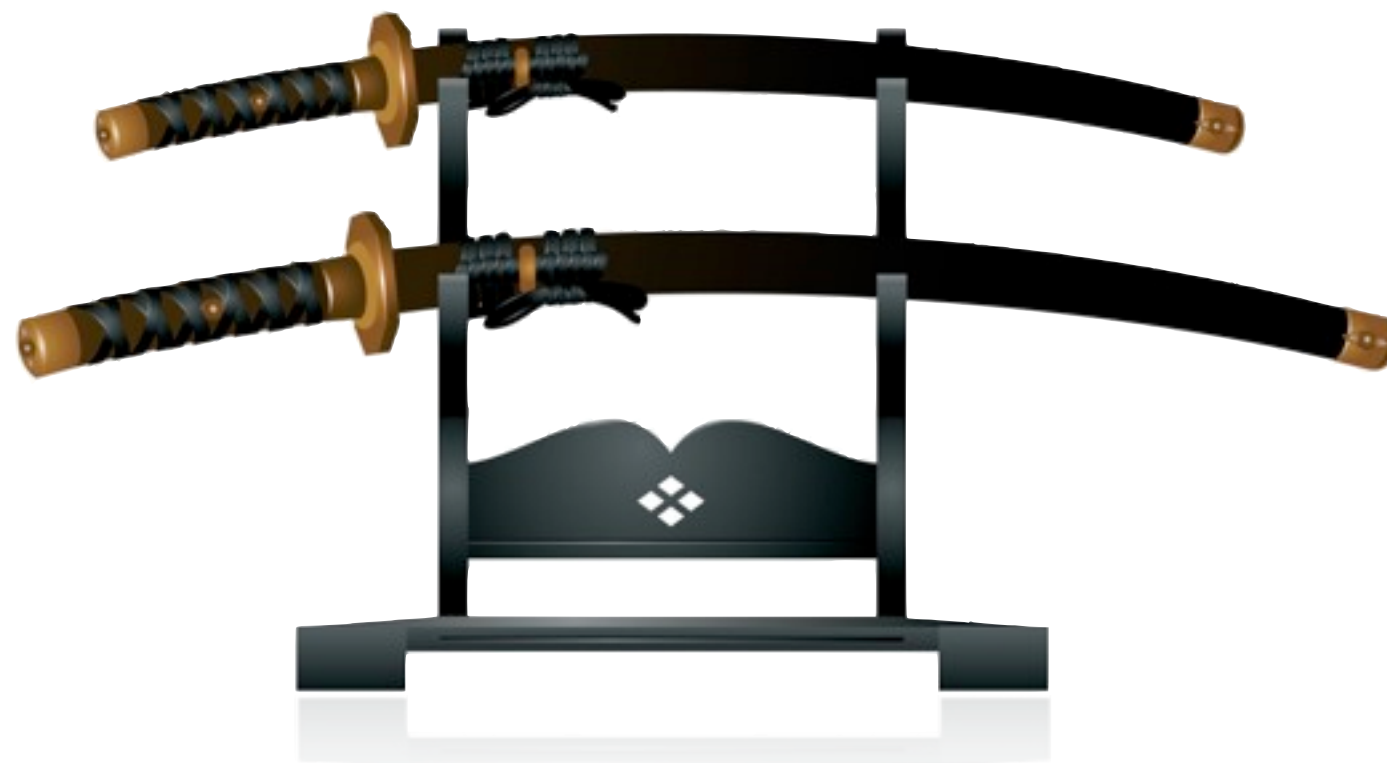
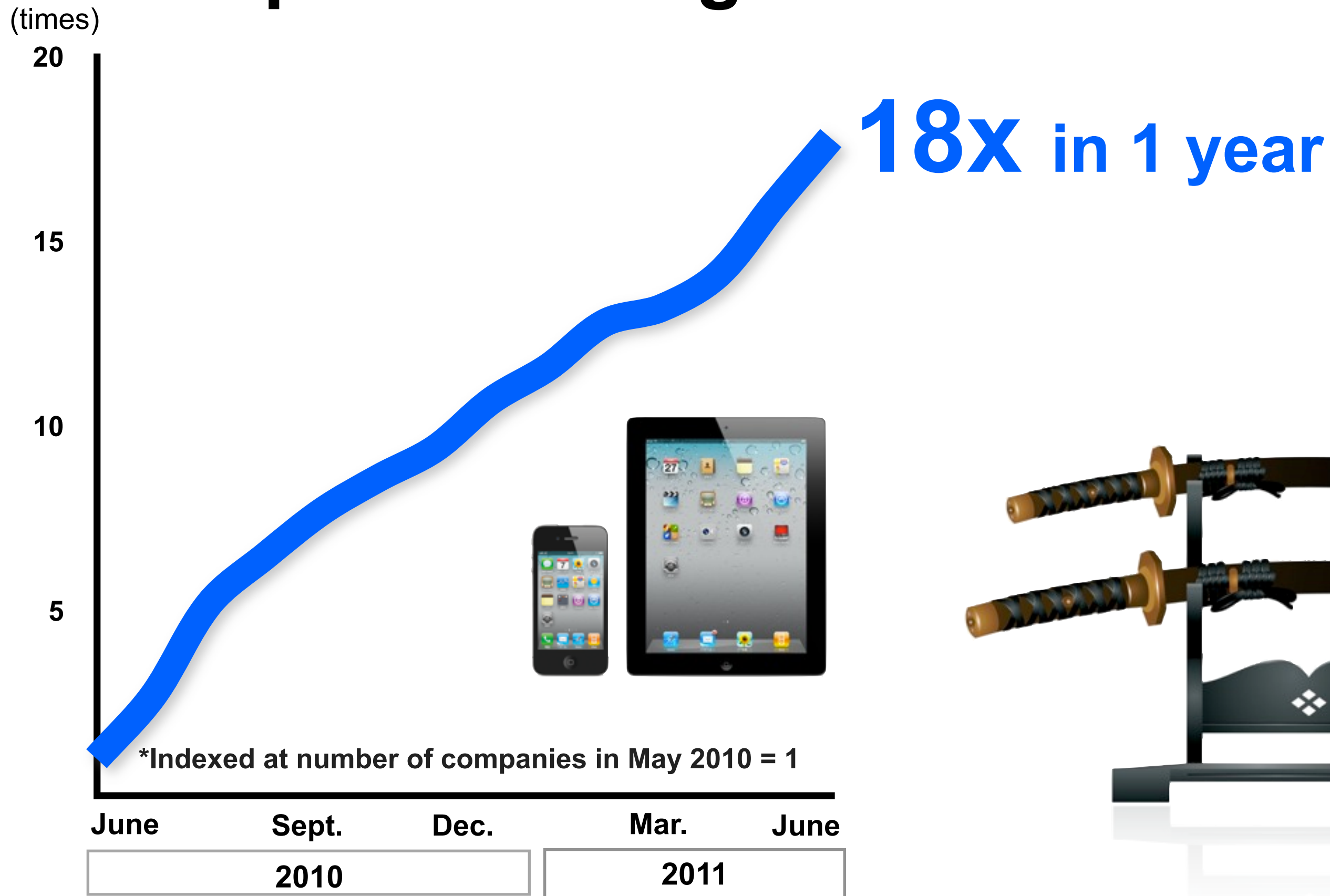
# Ranking of Tablets Sold in Japan (2011)

	 Jan.	 Feb.	 Mar.	 Apr.	 May	 June
<b>1st</b>	<b>iPad</b>	<b>iPad</b>	<b>iPad</b>	<b>iPad</b>	<b>iPad</b>	<b>iPad</b>
<b>2nd</b>	Galaxy Tab (SAMSUNG)	Galaxy Tab (SAMSUNG)	Galaxy Tab (SAMSUNG)	Galaxy Tab (SAMSUNG)	Galaxy Tab (SAMSUNG)	Galaxy Tab (SAMSUNG)
<b>3rd</b>	ZIIO (Creative Media)	ZIIO (Creative Media)	LifeTouch (NEC)	XOOM (Motorola)	LifeTouch (NEC)	Eee Pad (ASUS)
<b>4th</b>	SH-07C (SHARP)	LifeTouch (NEC)	BM-LTBU (Japan Communications)	Optimus Pad (LG)	Optimus Pad (LG)	XOOM (Motorola)
<b>5th</b>	HALLODS (Hallods)	SH-07C (SHARP)	ZIIO (Creative Media)	LifeTouch (NEC)	XOOM (Motorola)	Optimus Pad (LG)

## Dominate No.1 position

\*External research company's study of the number of handsets sold at major electronic retailers.

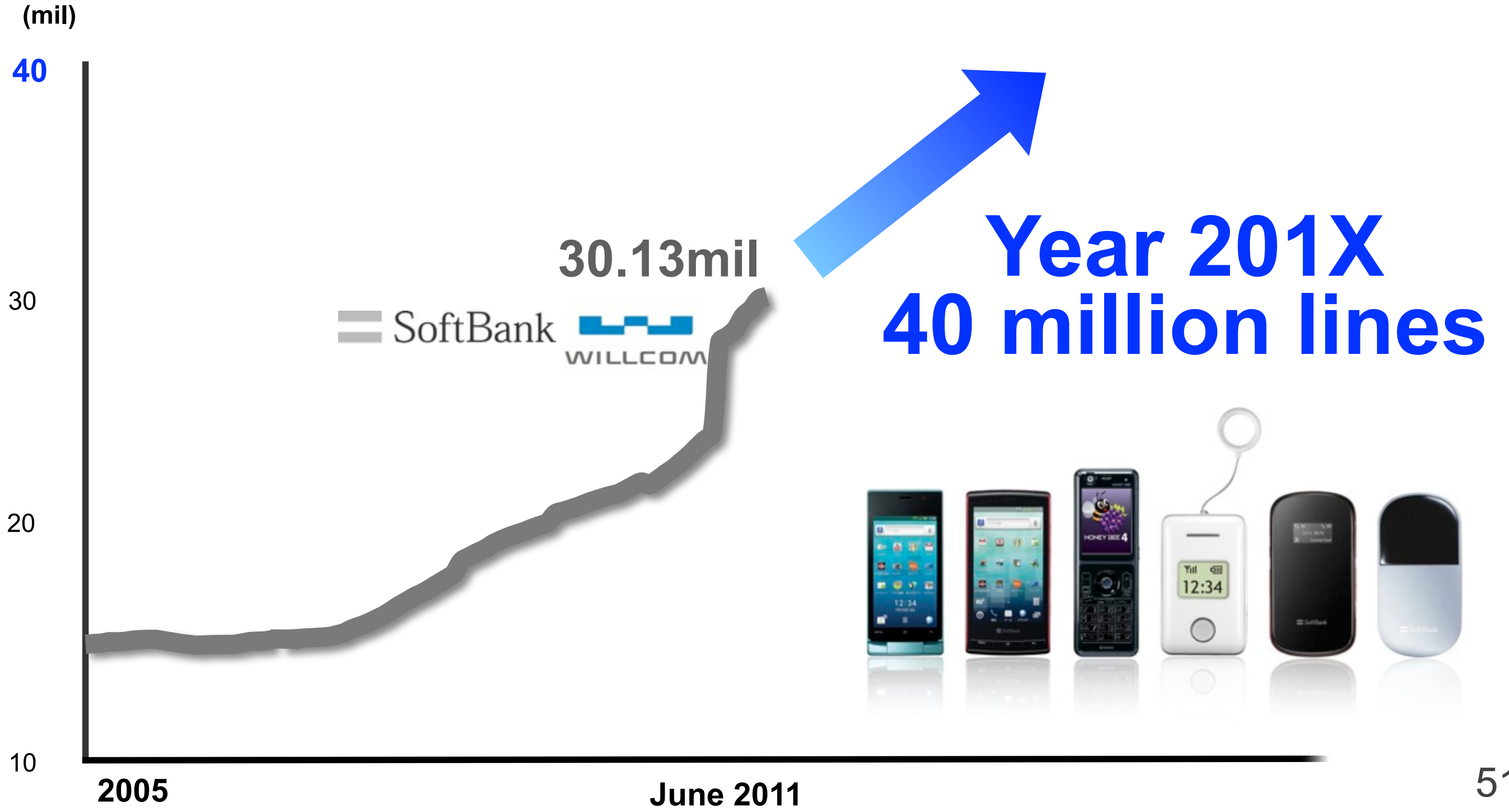
# Companies Using Both iPhone and iPad



# Rich Lineup to Match Your Lifestyle



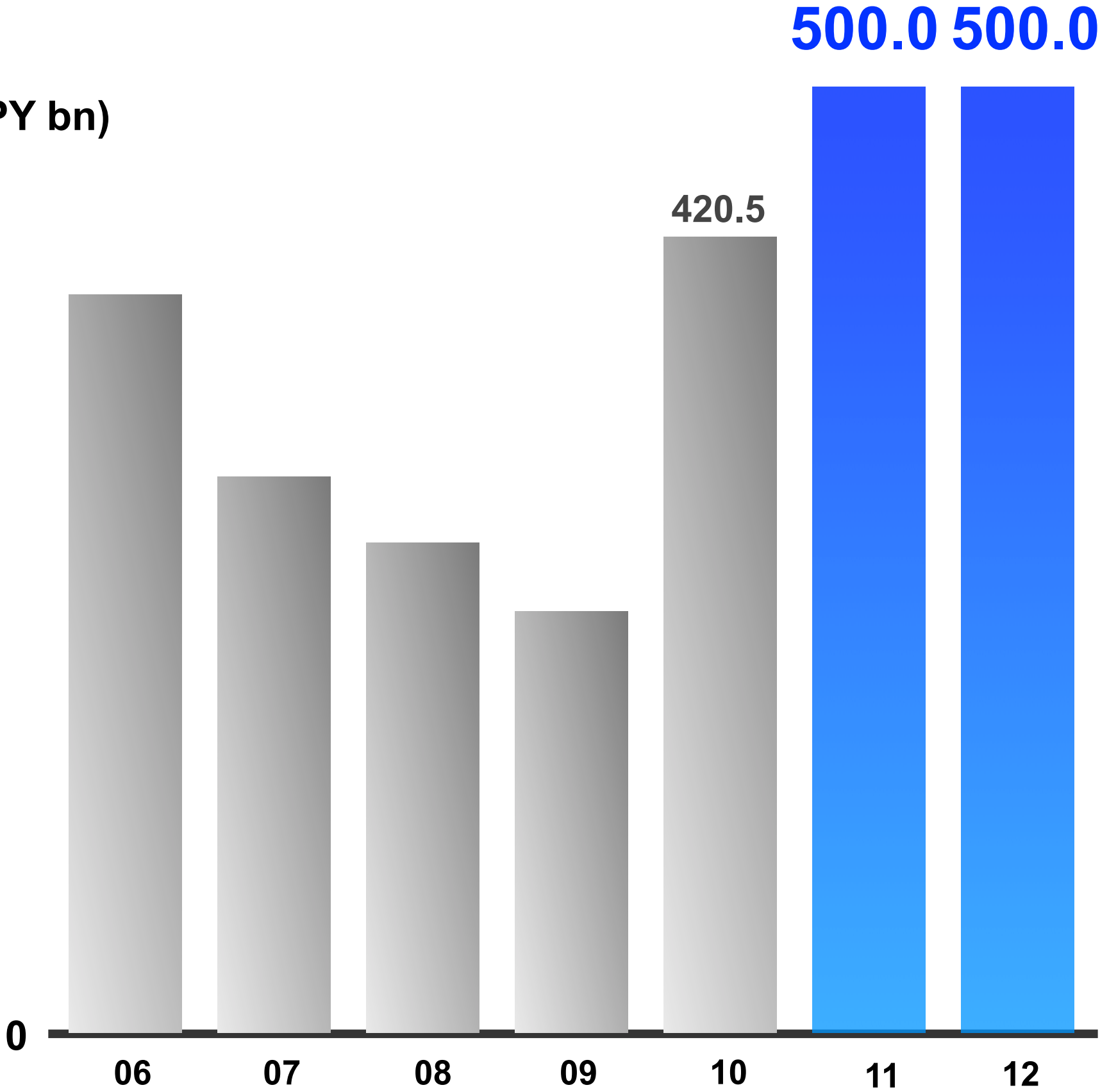
# Cumulative Subscribers



**Increase CAPEX to lay the  
foundation for further growth**

# Consolidated CAPEX

(JPY bn)



**JPY 1t**  
in 2 years

(FY) (Forecast)

**CAPEX**

**Operating Income**

**JPY 1t**

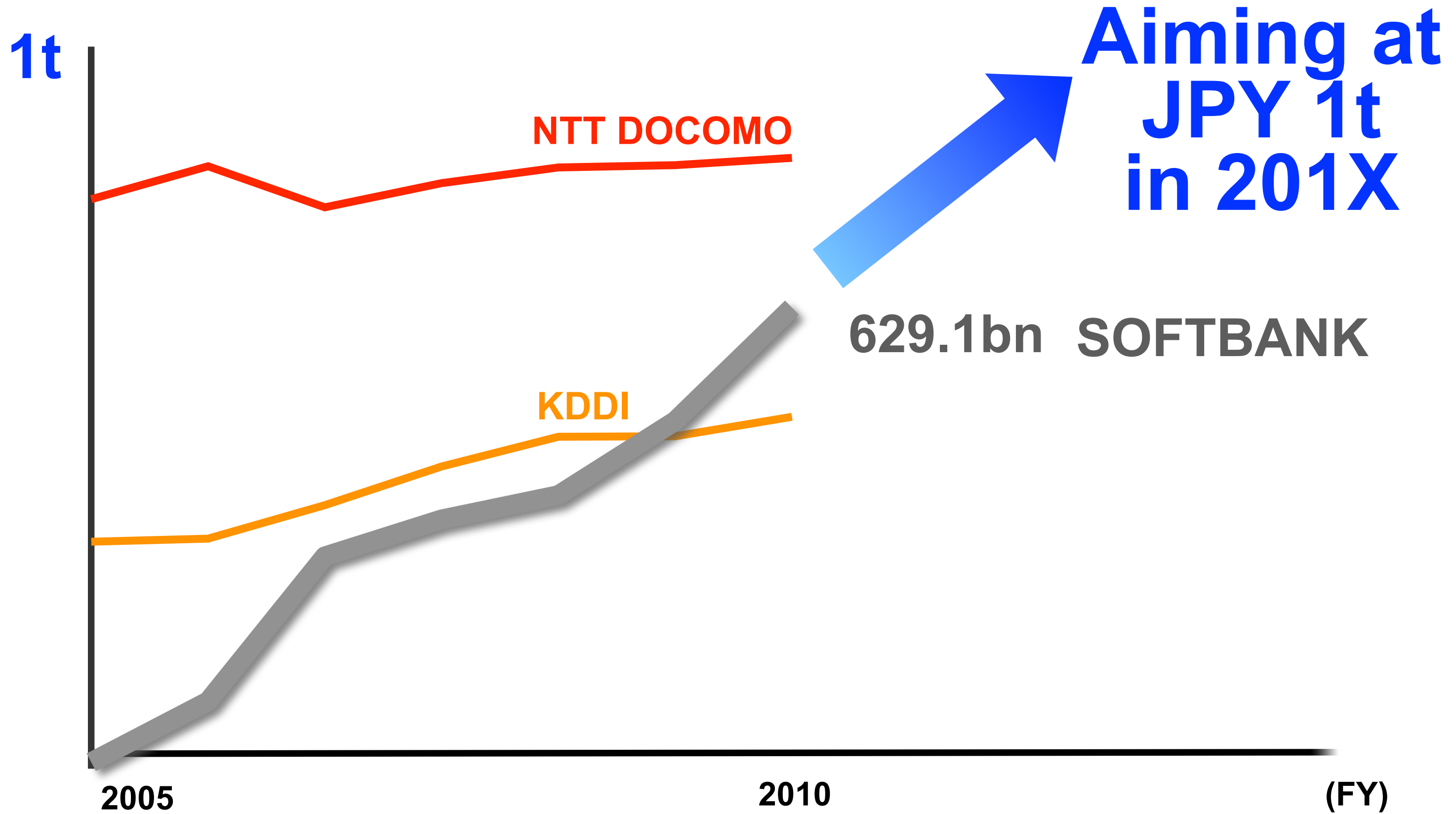


**JPY 1t**

**2011/2012**

**201X**

# Consolidated Operating Income







**No.1  
Asia Internet**



**Competitors<sub>56</sub>**

# Joint Statement on Alipay

**Constructive discussion  
to solve issues in a timely  
manner**



**Steady progress in  
negotiations towards  
a resolution**



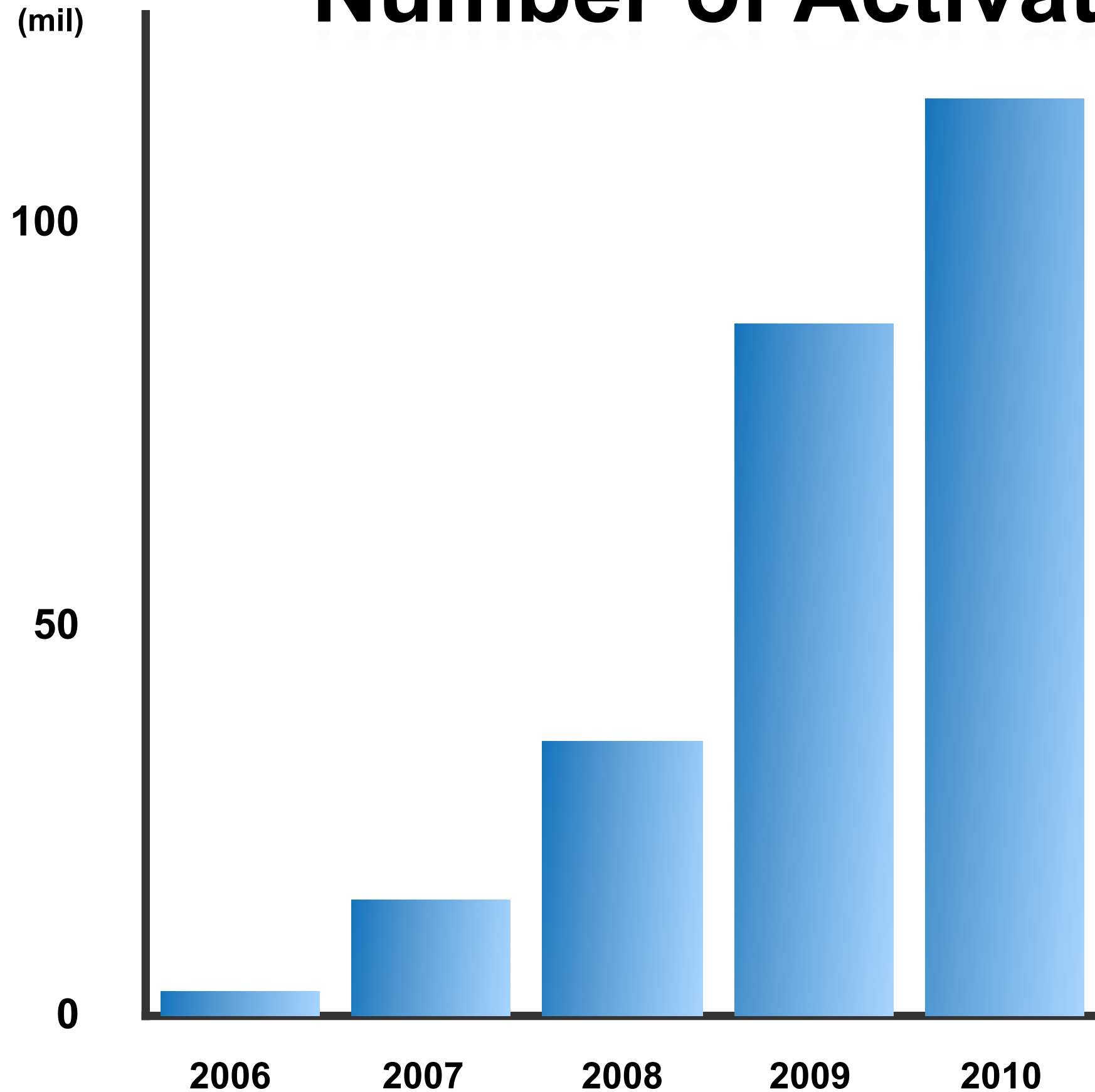
**31st AGM (June 24, 2011)**

# renren

## Largest real-name SNS in China

The screenshot shows a user profile for '黄辉' (Huang Hui) on the Renren social network. The profile includes a navigation bar with '首页', '个人主页', '好友', '应用', and '游戏'. The user's name '黄辉' is followed by a star icon and a badge indicating '1697人看过'. Below the name are tabs for '个人主页', '音乐', '资料', '日志', and '相册'. The profile information section lists: '所在城市: 北京市', '生日: 1972-12-23', '家乡: 江苏 南通市', '我的域名: huanghui.renren.com', and '等级: 24级'. The '日志' (Diary) section shows three entries: '2011年情人节煮晚餐' (Feb 14, 23:18), '缅怀一下中国的春运' (Jan 24, 18:11), and '俗话说' (Oct 26, 22:05). The '分享' (Share) section includes '艾瑞: 国内主要社交网站数据对比' (Jun 4, 20:08), '全套限量明星徽章' (Mar 31, 11:14), and '22: 韩寒最新博文——给李彦宏先生的一封信' (Mar 27, 13:51). The main content area features a '留言板' (Message Board) with a text input field and a '留言' button. Below it are several posts: a '人人小站' (Renren Station) post from 06-13 10:41, a post about a 'Japan expo poster' from 06-12 18:28, and a post about uploading a photo to a '手机相册' (Mobile Album) from 06-12 18:17. The right sidebar contains sections for '共同好友(92)', '最近来访(1697)', '她喜欢的' (What she likes), '最近玩过的游戏/应用' (Recent games/apps), and '她的好友(251)'. A large number '58' is overlaid on the bottom right of the page.

# Number of Activated Users



**Exceeded 120mil**  
(May 2011)

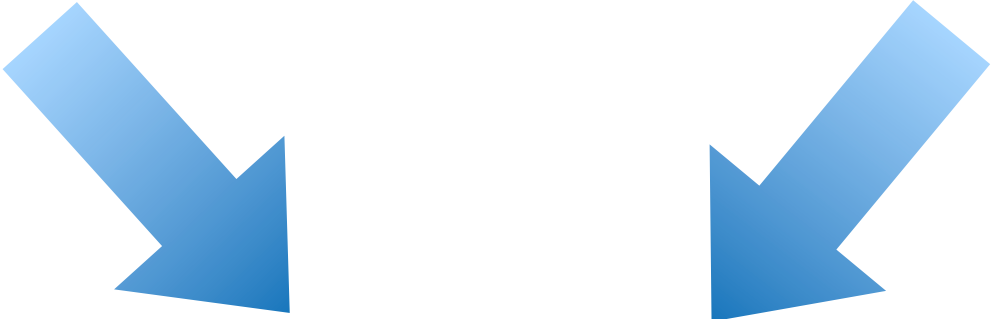


(Source) Renren IR Materials as of December every year.

# Establish Joint Venture



**RECRUIT**



Social Wedding Service

**Launch in China**



# Renren Connect

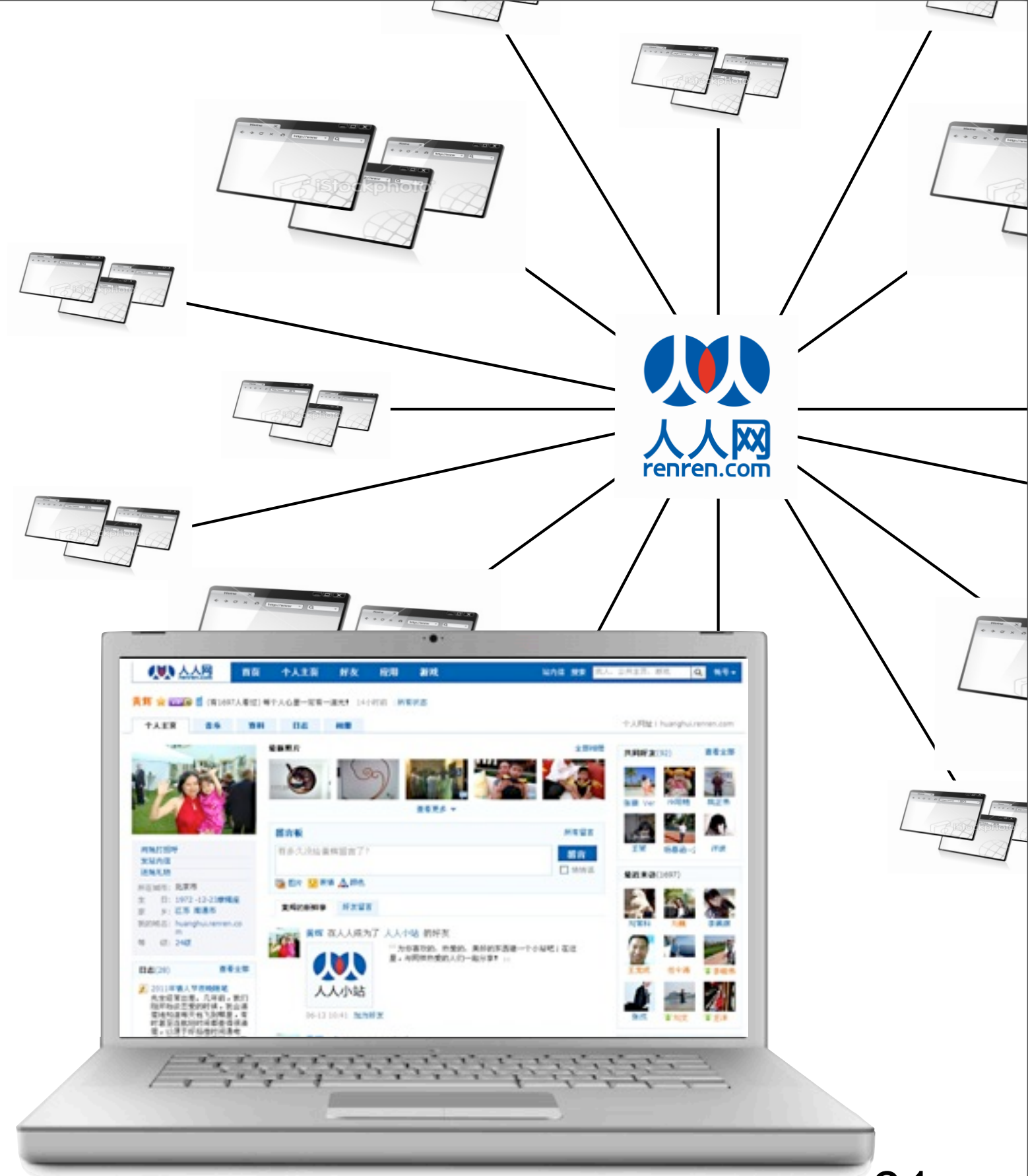


Renren's Version of  
"Facebook Connect"

Adopted by  
over 800 Web sites



Platform expanded

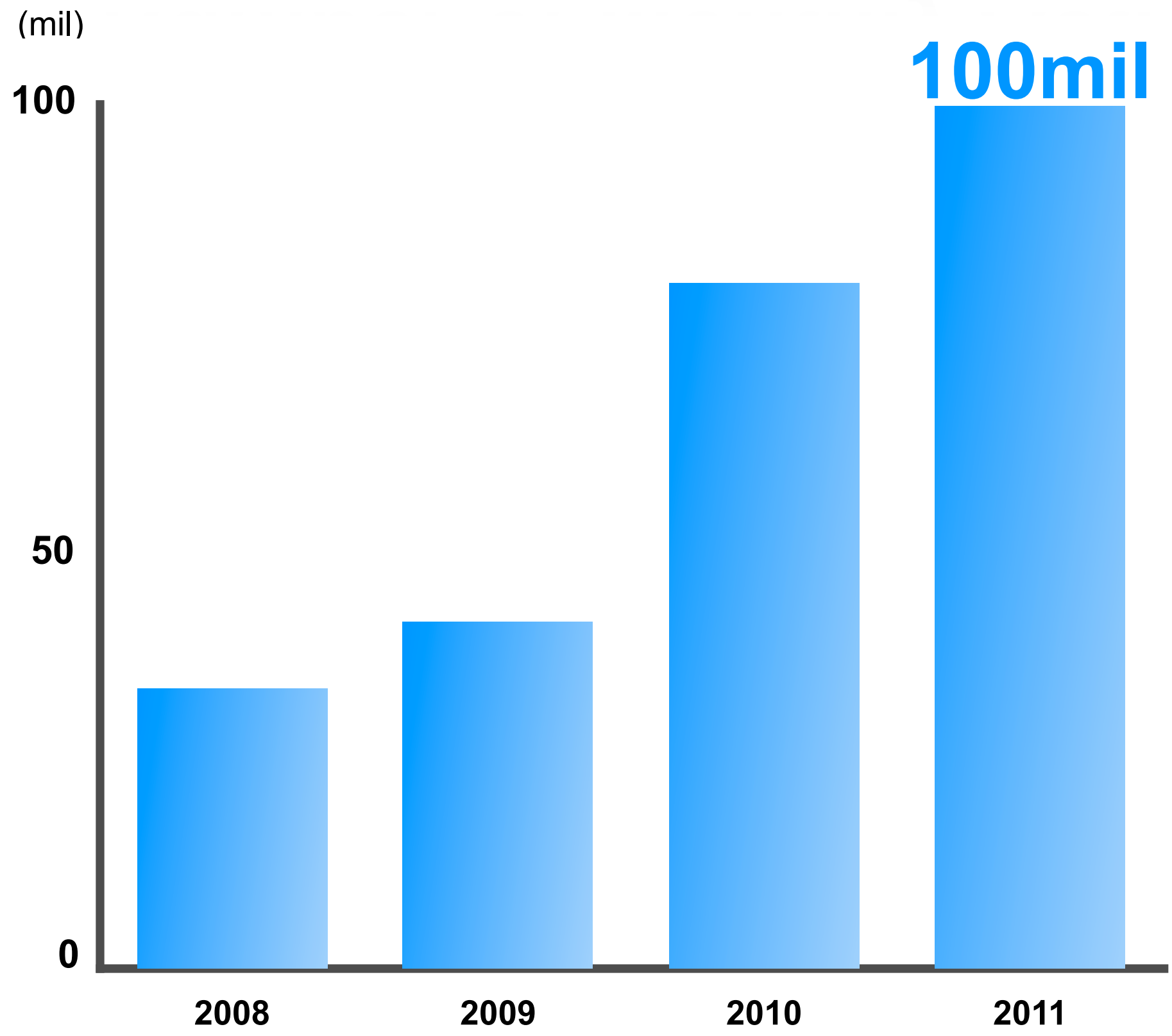




# No.1 Online TV in China

The screenshot displays the PPTV website interface. At the top, there are navigation links for '首页', '电视台', '电影', '电视剧', '动漫', '游戏', '娱乐', '资讯', '体育', and 'PPTV网络热播'. A search bar is located on the right. The main content area features a large banner for 'PPTV网络热播' with a woman in a red dress. Below this, there are several smaller promotional tiles for various programs and products. A sidebar on the left contains a '游戏大厅' (Game Hall) section with links to '英雄远征', '洪荒神话', '天地英雄', and '富有人国'. The bottom of the page shows a 'PPTV在线问卷小调查' (PPTV Online Survey) and a '股票投资' (Stock Investment) section.

# Number of Monthly Active Users



**Steadily increasing**



(Source) PPLive March every year.

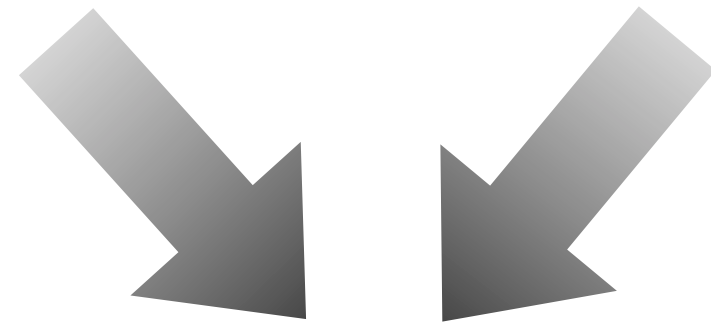


# Partnering With One of the Largest Official News Sites in China



## Xinhuanet

Technical support

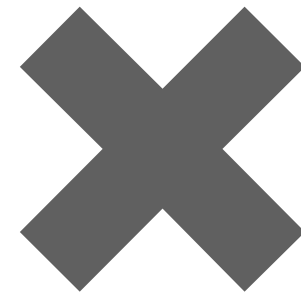


Provide content

## Xinhua Online Platform



# Exclusive Distribution of Top Korean Content



Korean No.1 TV

# KBS

Korean No.2 TV

# MBC



# First Cooperation Between TV & Internet in China



## Popular audition TV Program Happy Girl Reality Show

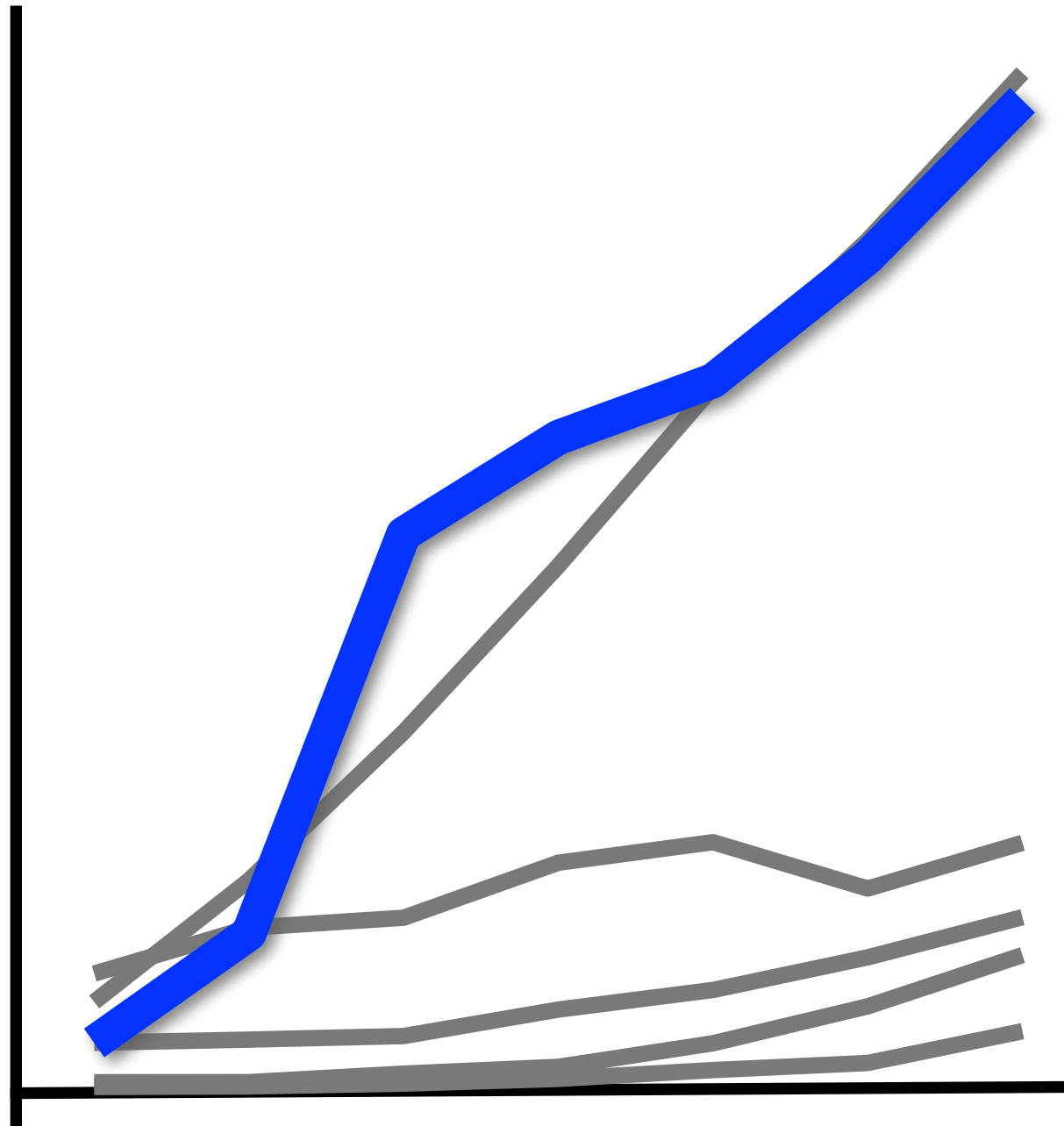
A screenshot of the PPTV website for the 'Happy Girl Reality Show' (快乐女声). The page features a navigation bar with 'PPTV' and '快乐女声' logos, and a grid of contestant profiles. Each profile includes a photo, the contestant's name, and their popularity score. The contestants shown are:

- 刘忻 (Liu Xin) - 人气 747276
- 李斯丹妮 (Li Sidanni) - 人气 657339
- 洪辰 (Hong Chen) - 人气 568087
- 段林希 (Duan Linxi) - 人气 53729
- 杨洋 (Yang Yang) - 人气 451793
- 王艺洁 (Wang Yijie) - 人气 416563
- DL组合 (DL Group) - 人气 390515
- 陆翊 (Lu Yi) - 人气 35176
- 付梦妮 (Fu Mengni) - 人气 235695
- 金铂玲 (Jin Boling) - 人气 5107

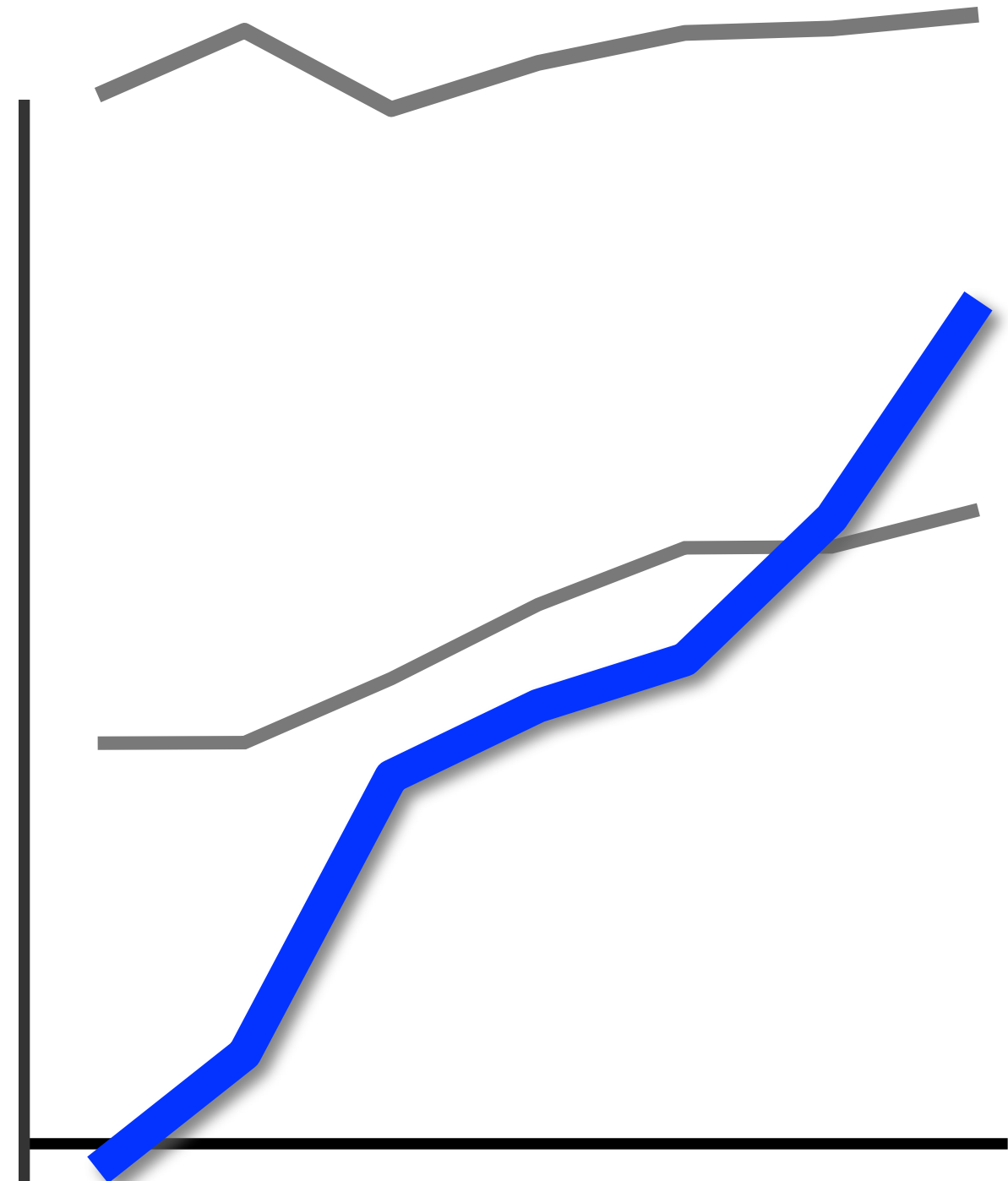


# **SOFTBANK's True Identity**

# Group A

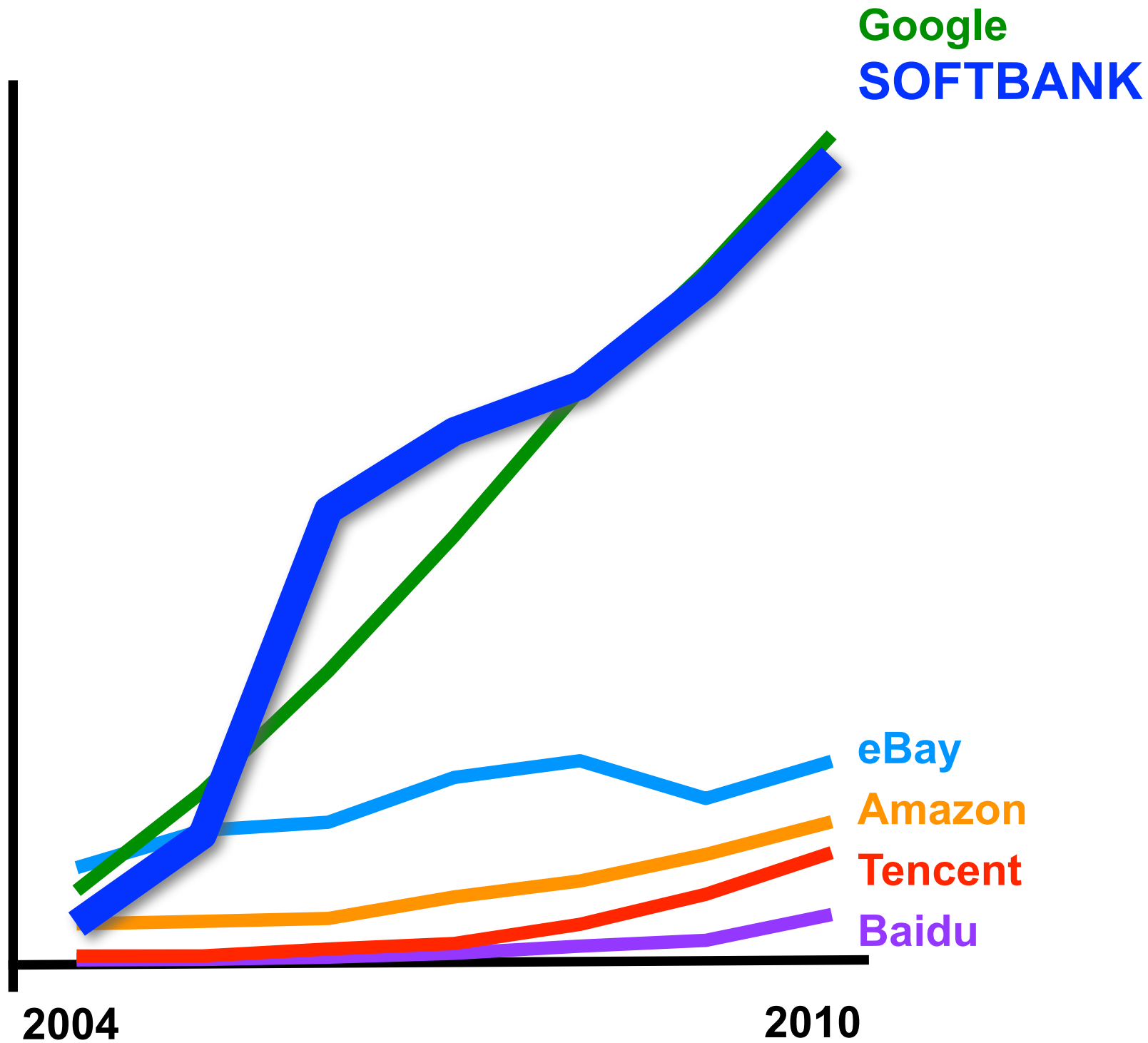


# Group B



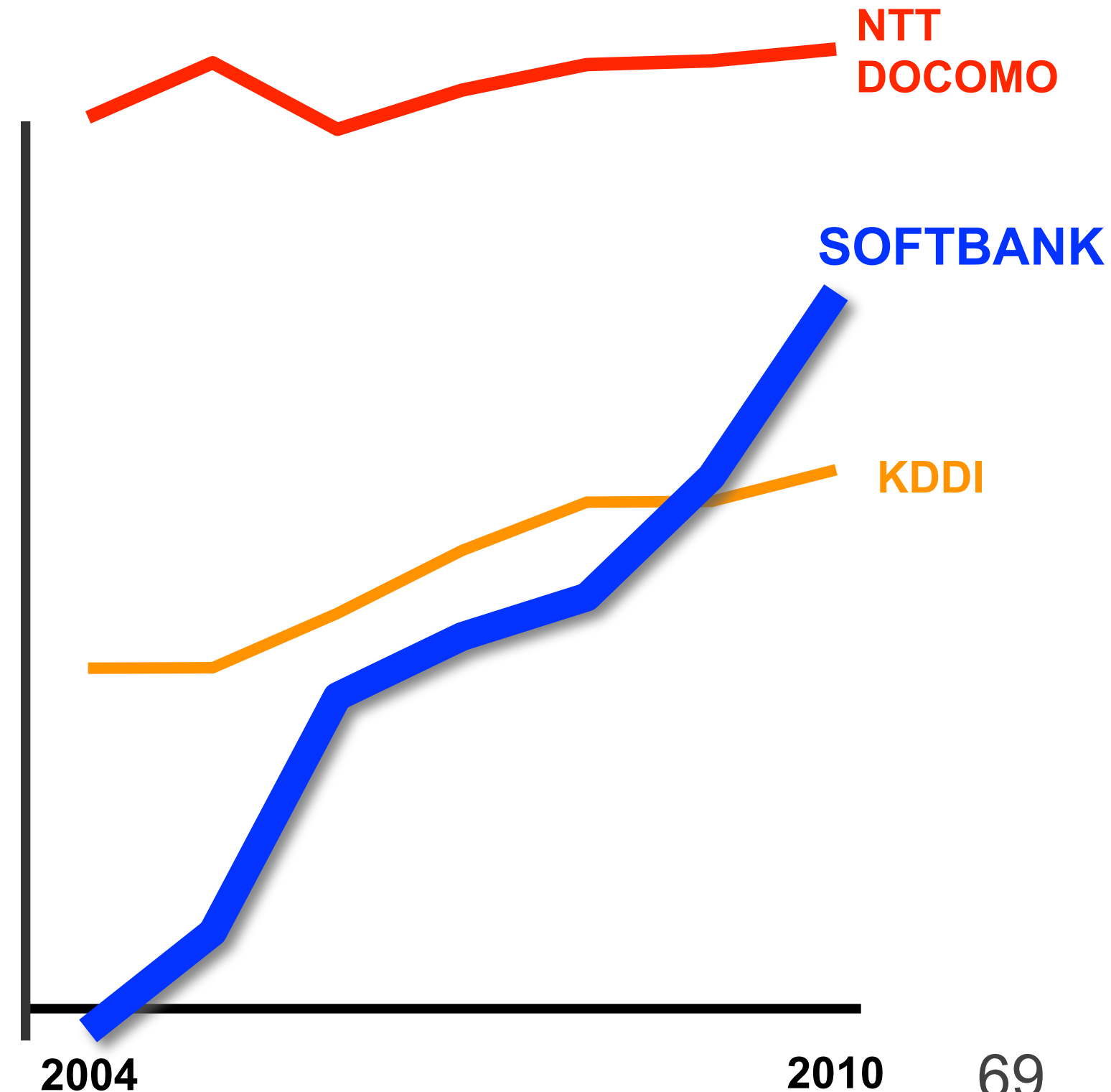
# Group A

## EBITDA of Internet Companies



# Group B

## Operating Profit of Mobile Companies



# Internet Companies Market Cap/EBITDA Multiples

Rank	Name	Market Cap (JPY)	EBITDA Multiple
1	Google (USA)	15.6t	15.1x
2	Amazon (USA)	7.5t	43.5x
3	Baidu (China)	4.4t	78.3x
4	Tencent (China)	3.8t	28.4x
5	<b>SOFTBANK (Japan)</b>	<b>3.5t</b>	<b>3.8x</b>
6	eBay (USA)	3.4t	13.9x

?



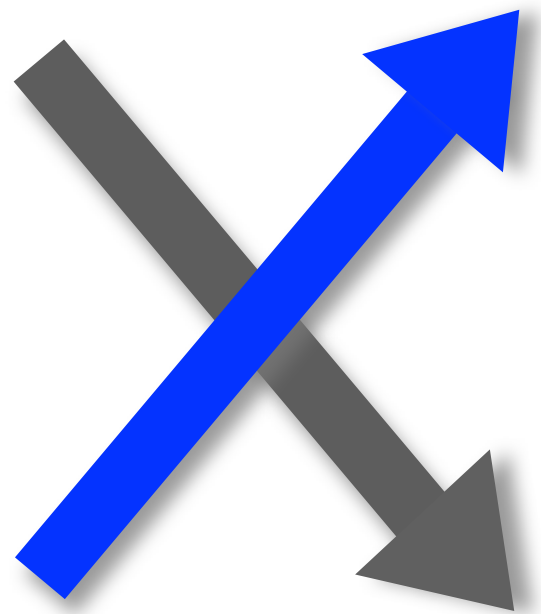
\*Calculated by SOFTBANK CORP. based on Bloomberg data as of July 27, 2011.

# Winning Formula for Enterprise Value Improvement

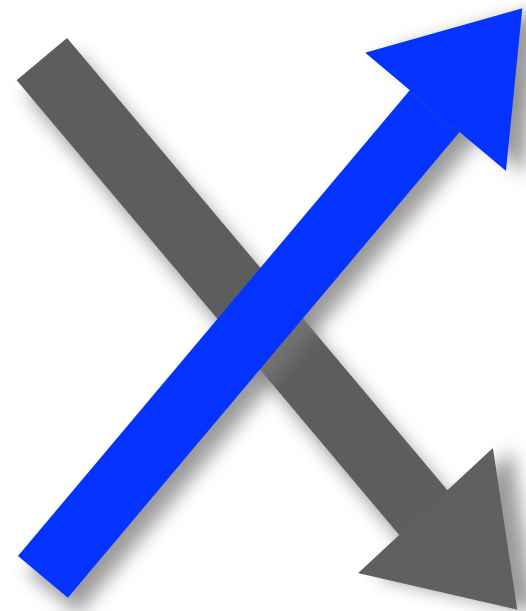
**Profit**

**EBITDA  
multiple**

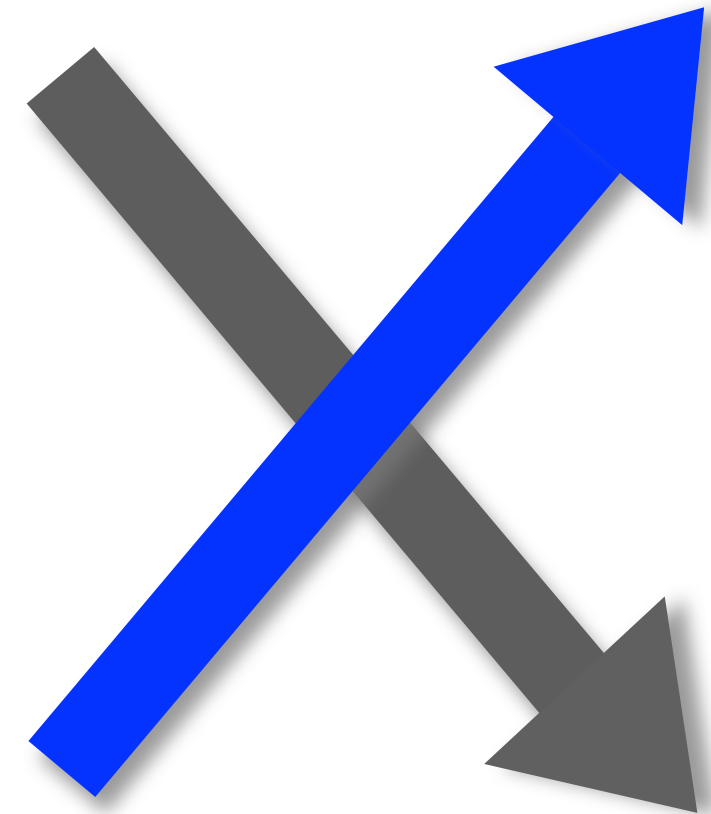
**Enterprise  
value**



+



=







**Mobile  
Company**

**or**

**Internet  
Company**



**New Business  
Model**

**Mobile  
Company**



**Internet  
Company**

# Internet Company

# Mobile Company

Facebook

Google

Tencent

Mobile  
Internet

eBay

Baidu

SoftBank

Amazon

NTT DOCOMO

KDDI

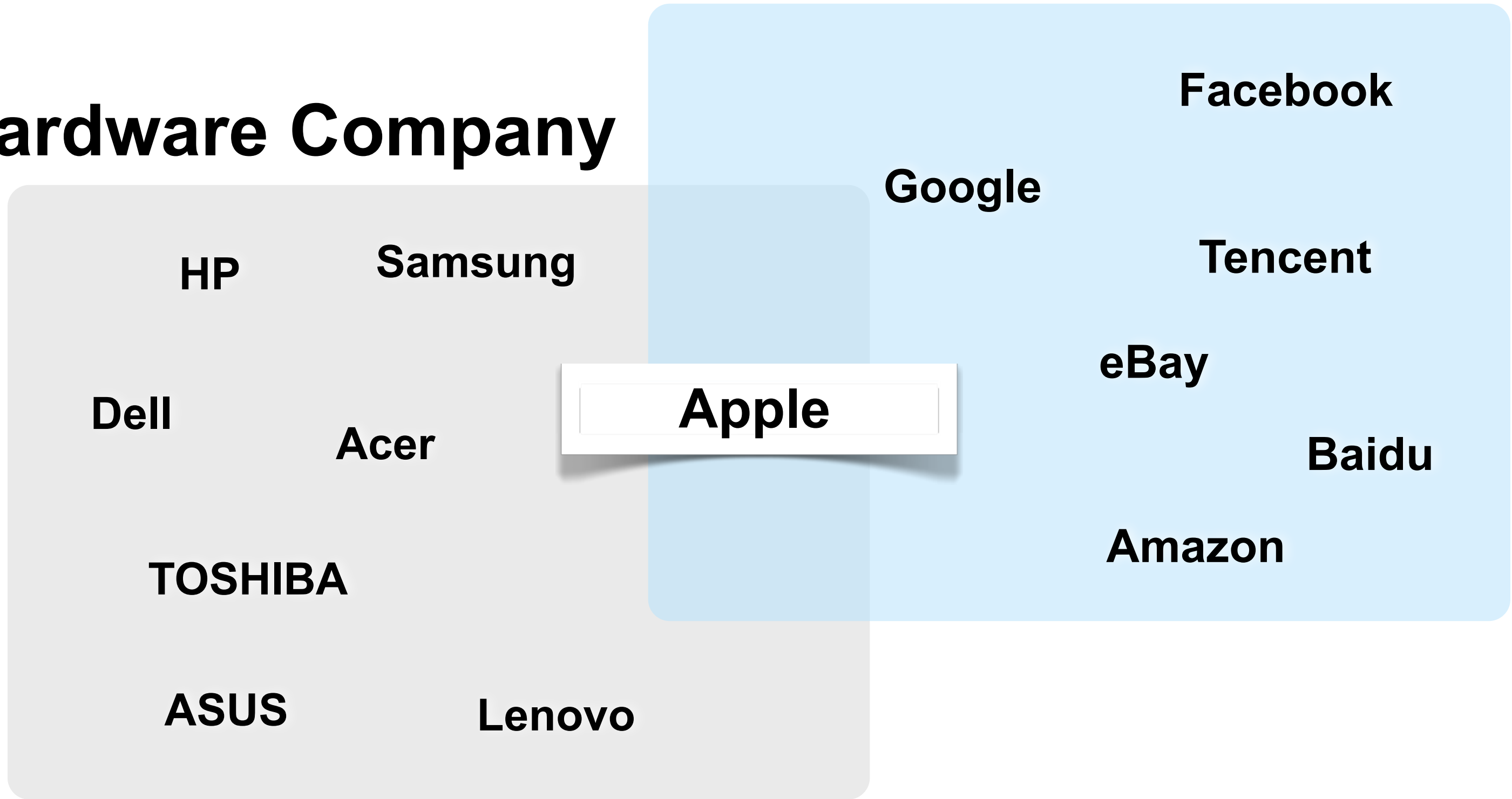
Vodafone

SingTel

Verizon

# Internet Company

# Hardware Company



# SOFTBANK's 900 Internet Companies



SoftBank Mobile Platform

# **Striving to Become No.1 Mobile Internet in the World**



SoftBank

## 1. Application of accounting standard for disclosure on segments

The “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” and related “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” are applied from FY2010/Q1. Financial results for FY2009 are shown based on the new standard for comparison purposes only and have neither been audited nor reviewed by our independent auditors. All financial information for FY2009 presented herein based on the new standard are subject to our audited and reviewed financial reports for the relevant corresponding periods.

## 2. Definition of terms etc. in this material.

Free cash flow (FCF): cash flows from operating activities + cash flows from investing activities.

EBITDA: operating income (loss) + depreciation and amortization (including amortization of goodwill), and loss on disposal of fixed assets included in operating expenses.

Net interest-bearing debt: interest-bearing debt - cash position

Interest-bearing debt: short-term borrowings + commercial paper + current portion of corporate bonds + corporate bonds + long-term borrowings. Lease obligations are not included. This excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of JPY 27.0bn acquired by SOFTBANK CORP. during FY2009 that were issued under the whole business securitization financing scheme associated with the acquisition of Vodafone K.K.

Cash position: cash & cash deposits + marketable securities recorded as current assets. (excludes Yahoo! Inc. shares held by a subsidiary of SOFTBANK CORP. in the United States of America).

Record high, record high revenue: since SOFTBANK CORP. applied consolidated accounting in FY1994. Q1 comparison basis.

SOFTBANK CORP. owns 100% shares issued by WILLCOM, Inc. However, WILLCOM, Inc. is in the process of reorganization under the Corporate Reorganization Act and the Company does not have effective control over WILLCOM, Inc. Therefore, WILLCOM, Inc. is not treated as a subsidiary.

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