

# **Earnings Results for the Six Months Ended September 30, 2019**

**SoftBank Corp.**

**November 5, 2019**

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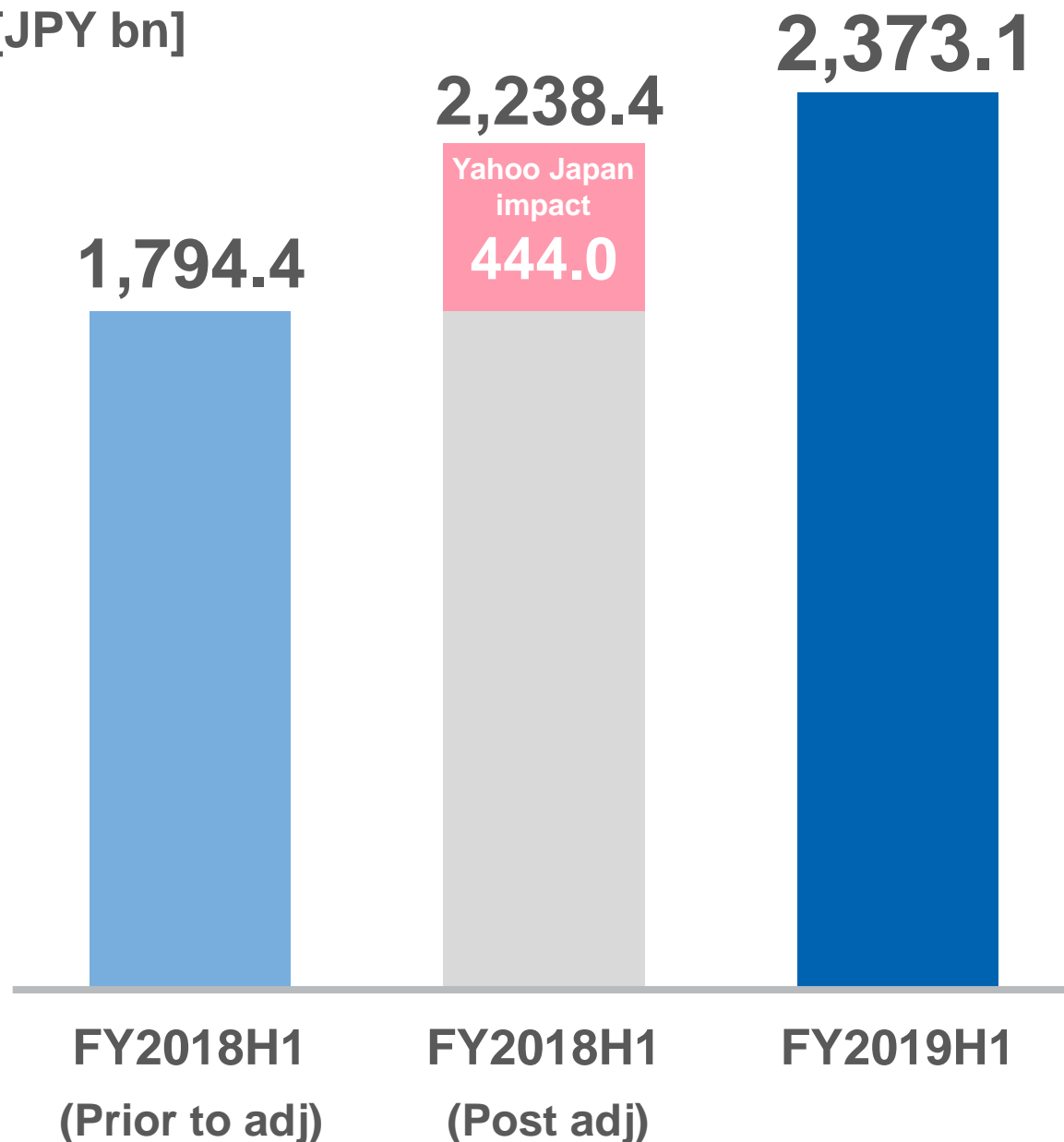
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# Revenue

[JPY bn]



Up 32%

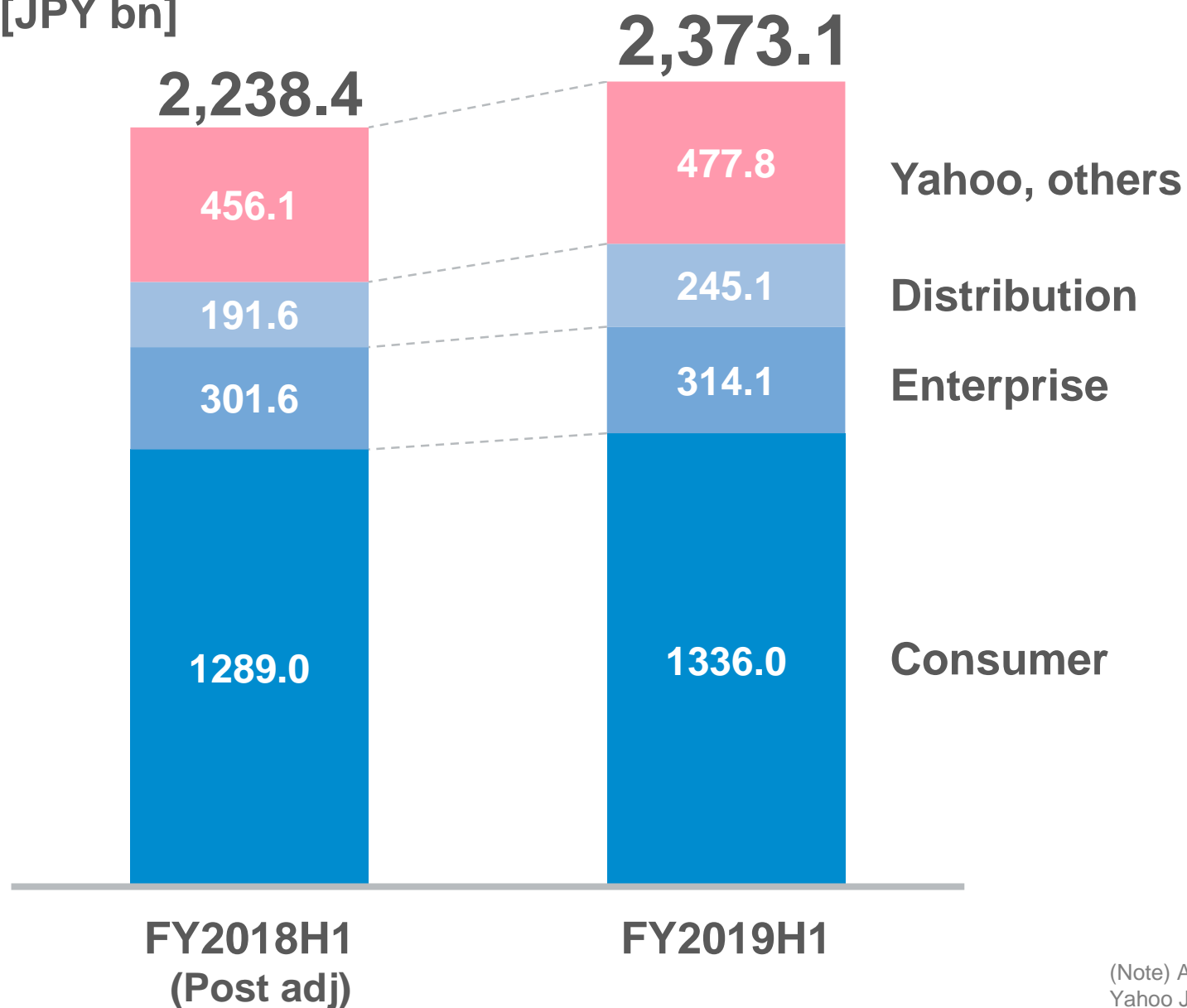
(Post Yahoo adj, Up 6%)

(Note)

Actuals for FY2018 have been restated retrospectively to have consolidated Yahoo Japan Corporation from April 1, 2018. (On October 1, 2019, Yahoo Japan Corporation transitioned to a holding company structure through a company split (absorption-type company split) and changed its trade name to Z Holdings Corporation. For convenience, Yahoo Japan is used within this materials)

# Revenue

[JPY bn]



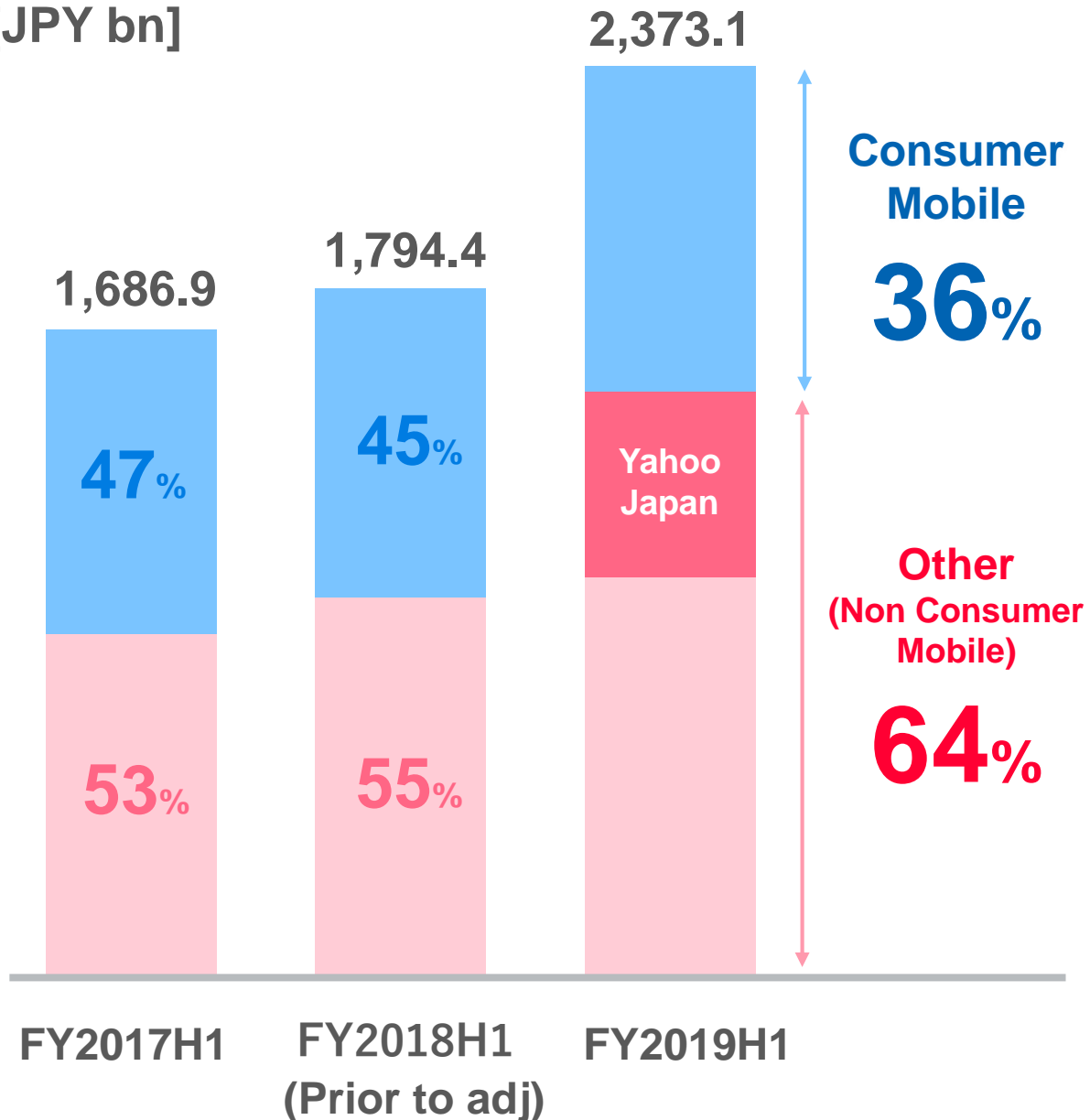
**Increased**  
across all segments

(Note) Actuals for FY2018 have been adjusted retrospectively to have consolidated Yahoo Japan Corporation from April 1, 2018



# Revenue

[JPY bn]



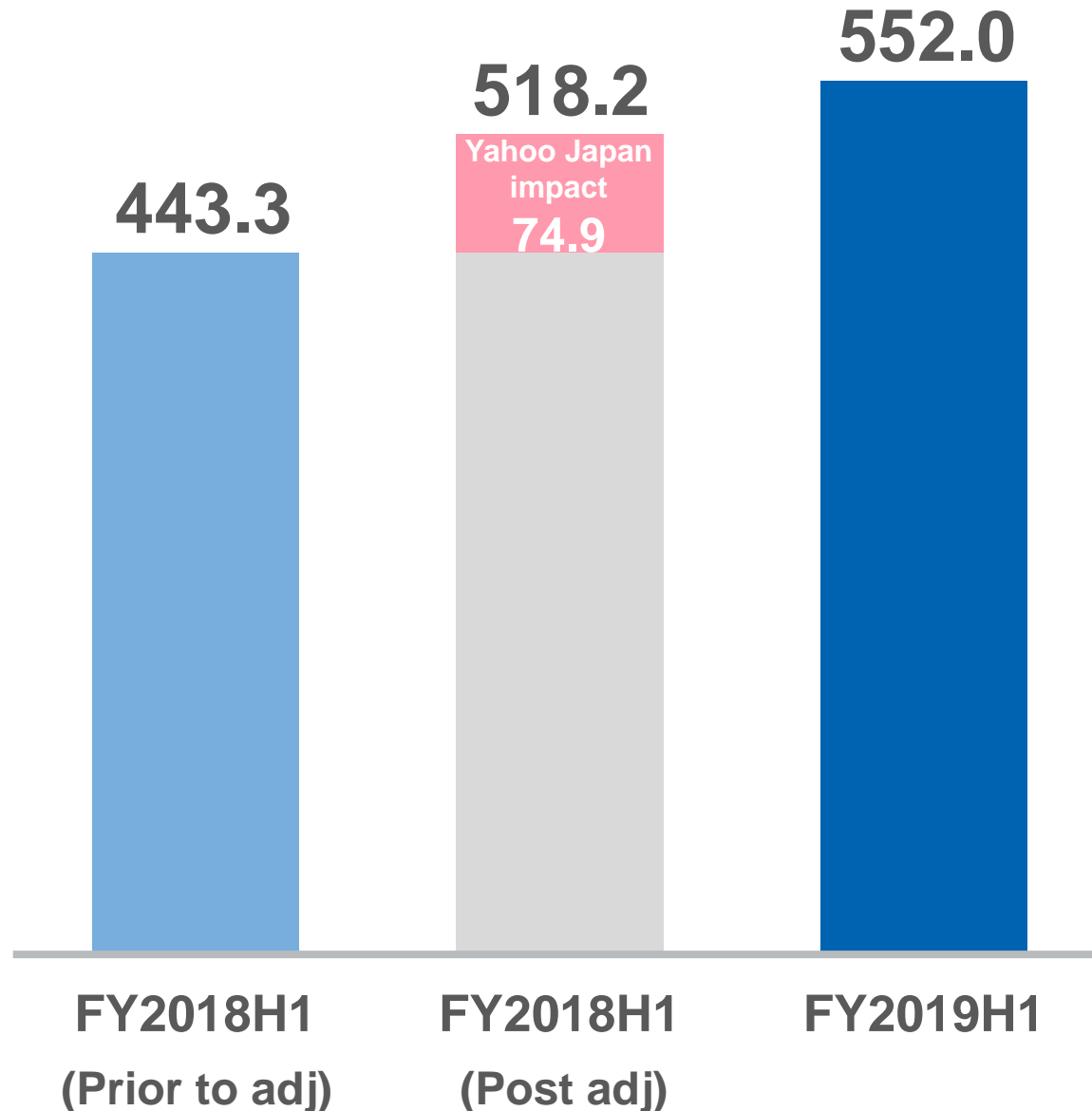
## Non Consumer Mobile Diversified sources of revenue



(Note) Consumer Mobile refers to mobile business in the Consumer business segment

# Operating Income

[JPY bn]



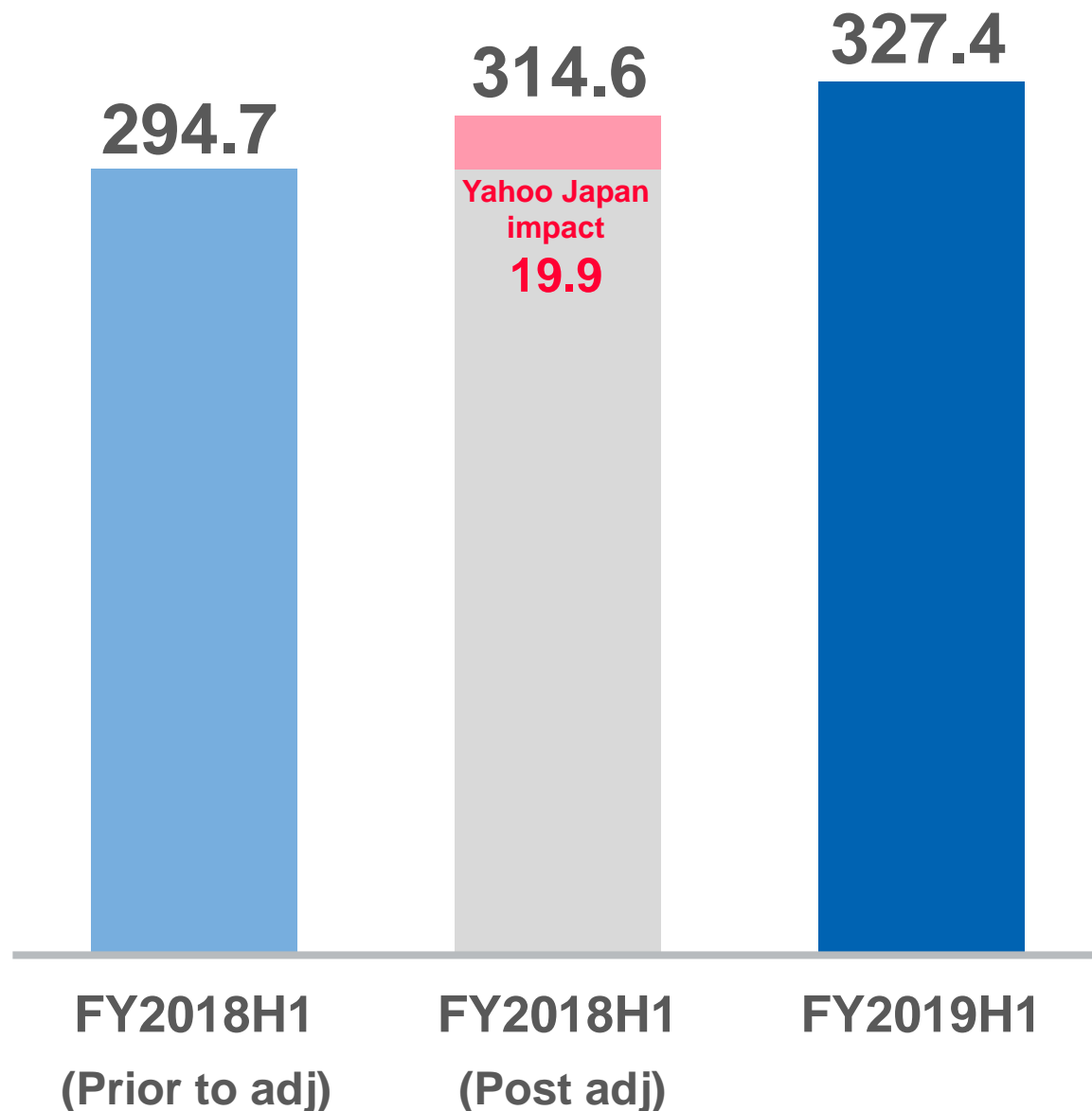
Up 25%

(Post Yahoo adj, Up 7%)

(Note) Actuals for FY2018 have been adjusted retrospectively to have consolidated Yahoo Japan Corporation from April 1, 2018

# Net Income

[JPY bn]



Up 11%

(Post Yahoo adj, Up 4%)

(Notes)

Net Income: net income attributable to owners of SoftBank Corp.

Actuals for FY2018 have been adjusted retrospectively to have consolidated Yahoo Japan Corporation from April 1, 2018

# Consolidated Results

[JPY bn]

	FY2018 H1 (Prior to adj)	FY2018 H1 (Post adj)	FY2019 H1	YoY (Post adj)	YoY % (Post adj)
Revenue	1,794.4	2,238.4	2,373.1	+134.7	+6%
Operating Income	443.3	518.2	552.0	+33.8	+7%
Net Income	294.7	314.6	327.4	+12.8	+4%

(Note) Actuals for FY2018 have been adjusted retrospectively to have consolidated Yahoo Japan Corporation from April 1, 2018

# FY2019 Profit Progress Toward Forecast

[JPY bn]

62%

890.0

552.0

68%

480.0

327.4

Operating Income

Net Income

**Good progress  
to annual forecast**

(Note) Full year forecast was announced on May 8, 2019

# SoftBank Growth Strategy

**Beyond Carrier**



**New  
Businesses**



**AI / Technologies**  
Cutting-edge business models

**Yahoo Japan**



**Telecom  
Business**



Smartphone subscriber growth



Broadband subscriber growth

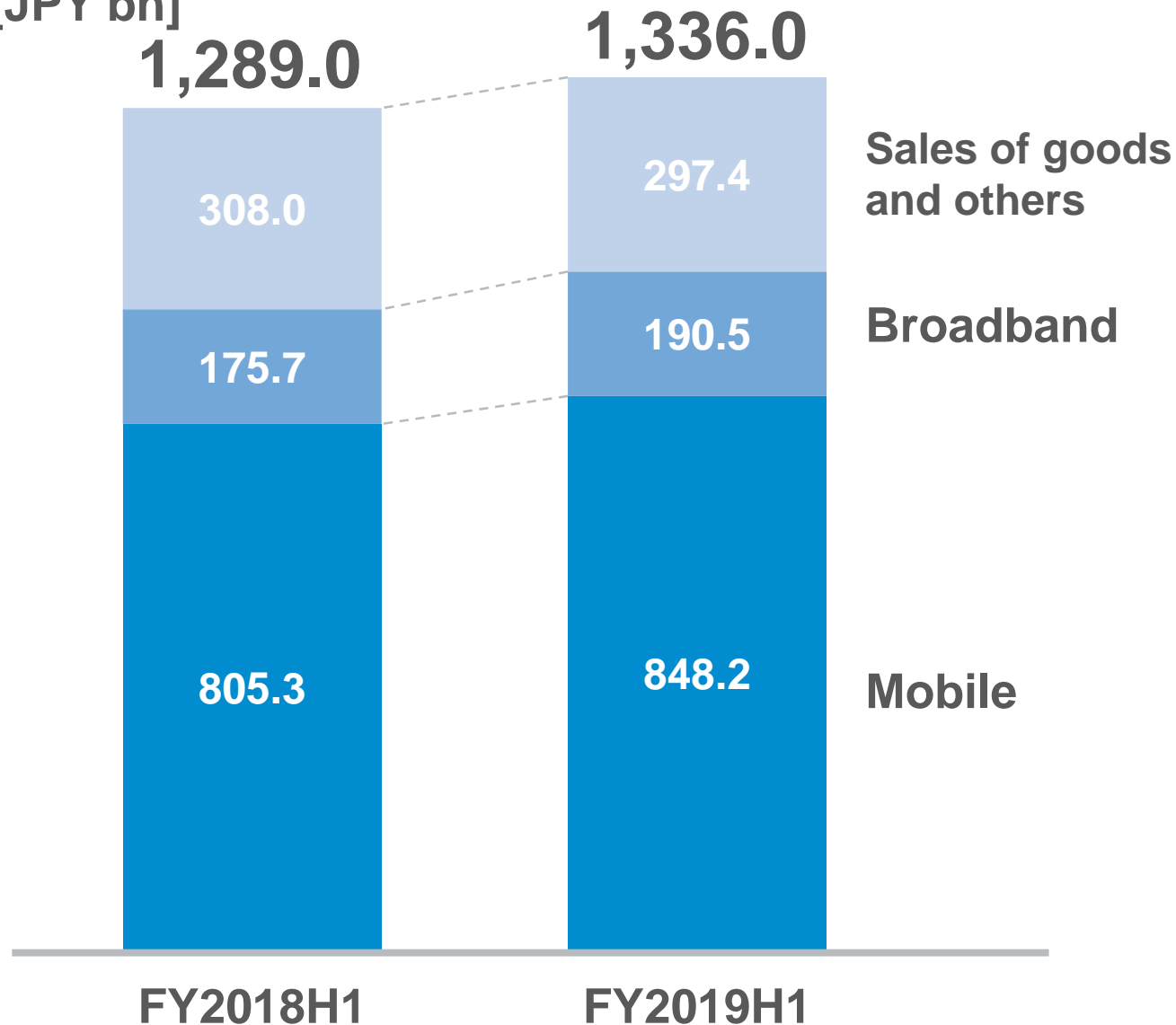


New infrastructure

# Telecom Business

# Consumer: Revenue

[JPY bn]

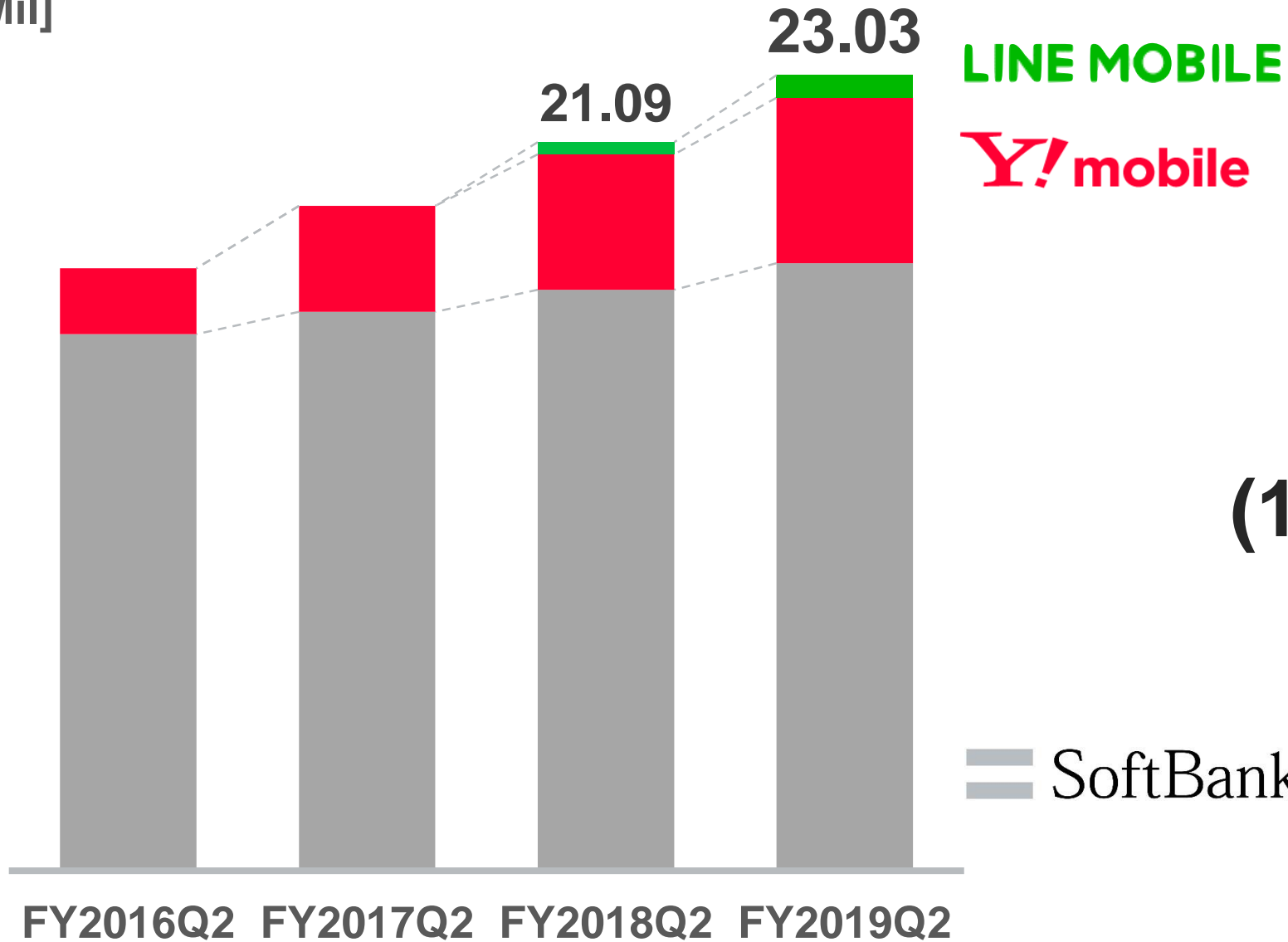


**Up 4%**  
**Mobile and Broadband**  
**drove the growth**



# Smartphone Cumulative Subscribers

[Mil]



**Up 9%**  
(1.94 mil increase)

(Note) Including enterprise subscribers

# Comply with amended Telecommunication Business Act

Effective from October 1, 2019

**No fixed-term for contracts** ▶▶▶

**No cancellation fee**

 **SoftBank**

**Unbundled Plans\*** ▶▶▶ **Already in place**  
since Sep 2018

 **Y!mobile**

**Unbundled Plans\*** ▶▶▶ **Price reduction**  
in Oct 2019 **+ Higher data capacity**  
In addition to unbundle

\*Unbundled plans: price plans that separate service fees and handset payments

 SoftBank

**ウルトラギガモンスター+**  
*50GB+ data plan*

**Unbundled Plans  
already in place**

**Since September 2018**

# Comparison of Large Capacity Data Plans

(Prices for first year enrollment)

## Remain competitive even after other players reduced prices



(Notes) As of November 1, comparison of first year price plans from each company's web site (annual amount divided by 12 months).

Comparison of 30GB date plan by company A, unlimited data plan + video services by company B, and Ultra Giga monster + by SoftBank.

**October 2019**

# **Unbundled Plans introduced**

**Y!mobile**



# Y!Mobile New Plans

## Price Reduction

Smartphone Basic Plan S  
Monthly fee after 14 months

Max **12%**  
**DOWN**

## Capacity Increase

	Plans	Monthly data capacity
Smartphone basic plans	<b>S</b>	<del>2GB</del> ► <b>3GB</b>
	<b>M</b>	<del>6GB</del> ► <b>9GB</b>
	<b>R</b>	<b>NEW</b> <b>14GB</b>

(Note) Price reduction refers to the comparison of “Smartphone Basic Plan S” (previous “Smartphone Plan S”) after Home Broadband bundle discount

# Customer Satisfaction for Prices

 SoftBank

Ultra Giga Monster Plus (50GB+) plan



 Y!mobile

All smartphone price plans



 LINE MOBILE

All smartphone price plans

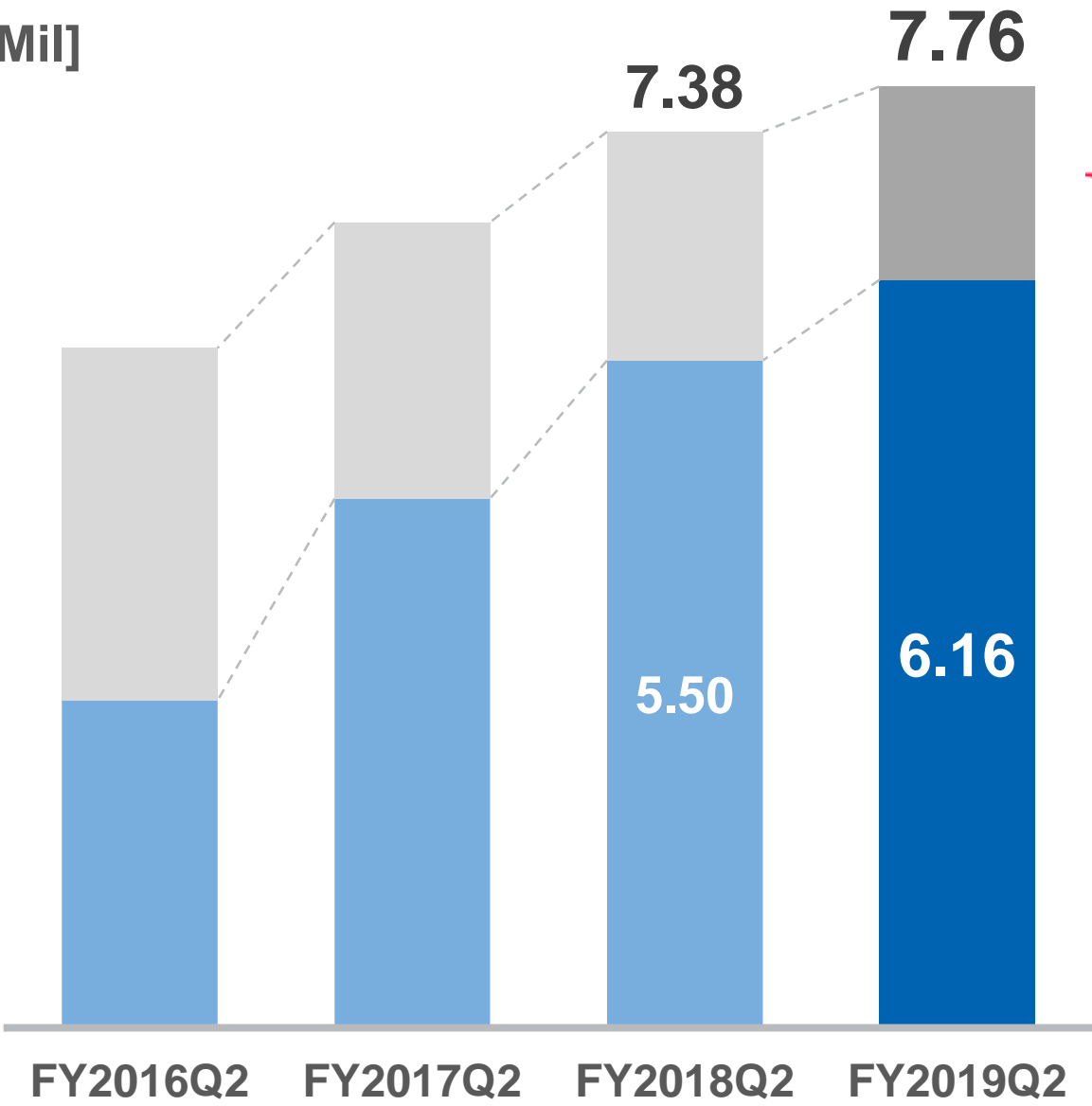


Question: At what level are you satisfied with the current pricing?

(Note) Survey by the Company in September 2019. Survey for customer satisfaction (SoftBank: n=900, Y!mobile: n=900, LINE MOBILE: n=1,700)

# Broadband Cumulative Subscribers

[Mil]



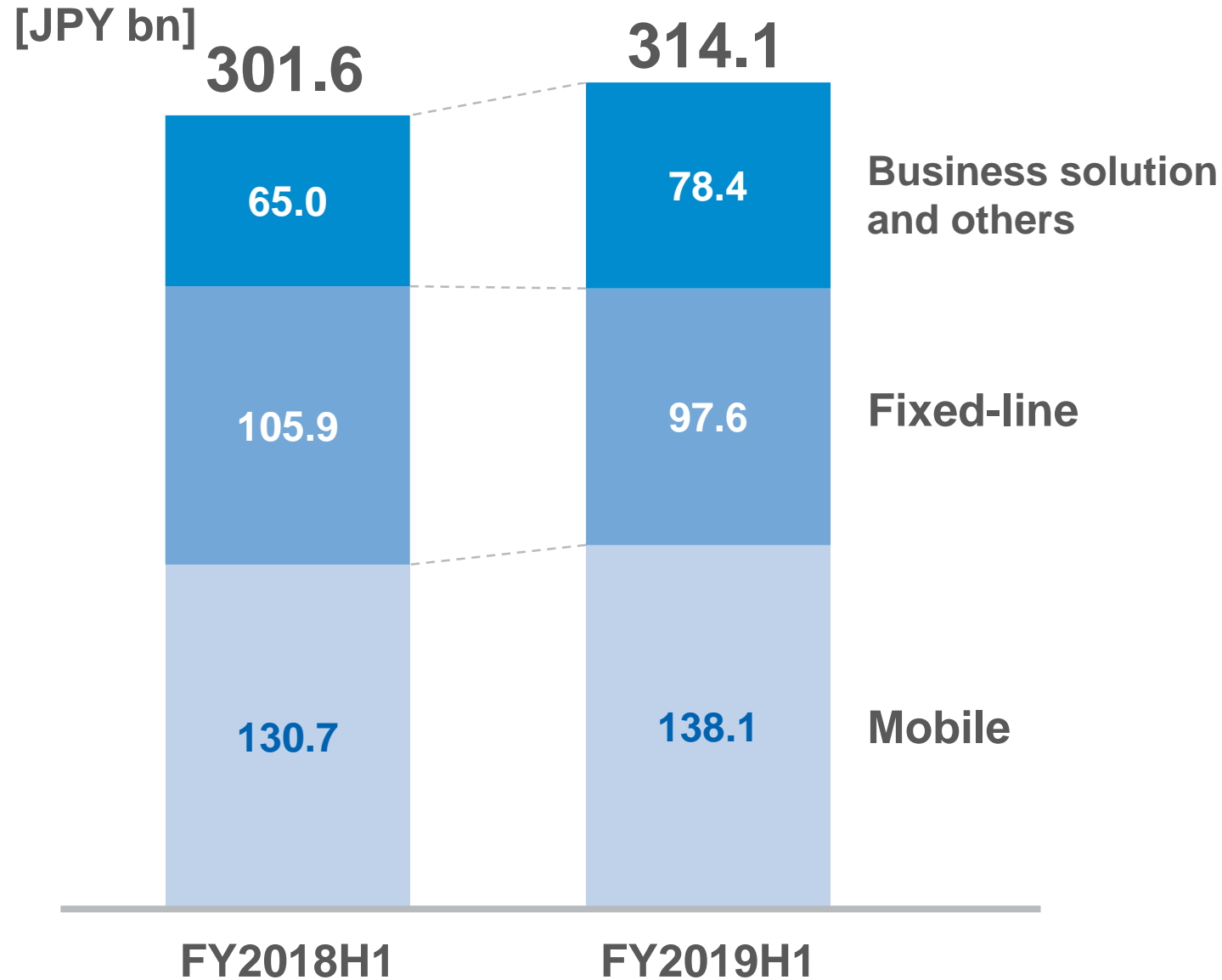
= SoftBank 光

Up 12%

(Note) "SoftBank Air" subscribers are included in "SoftBank Hikari" subscribers



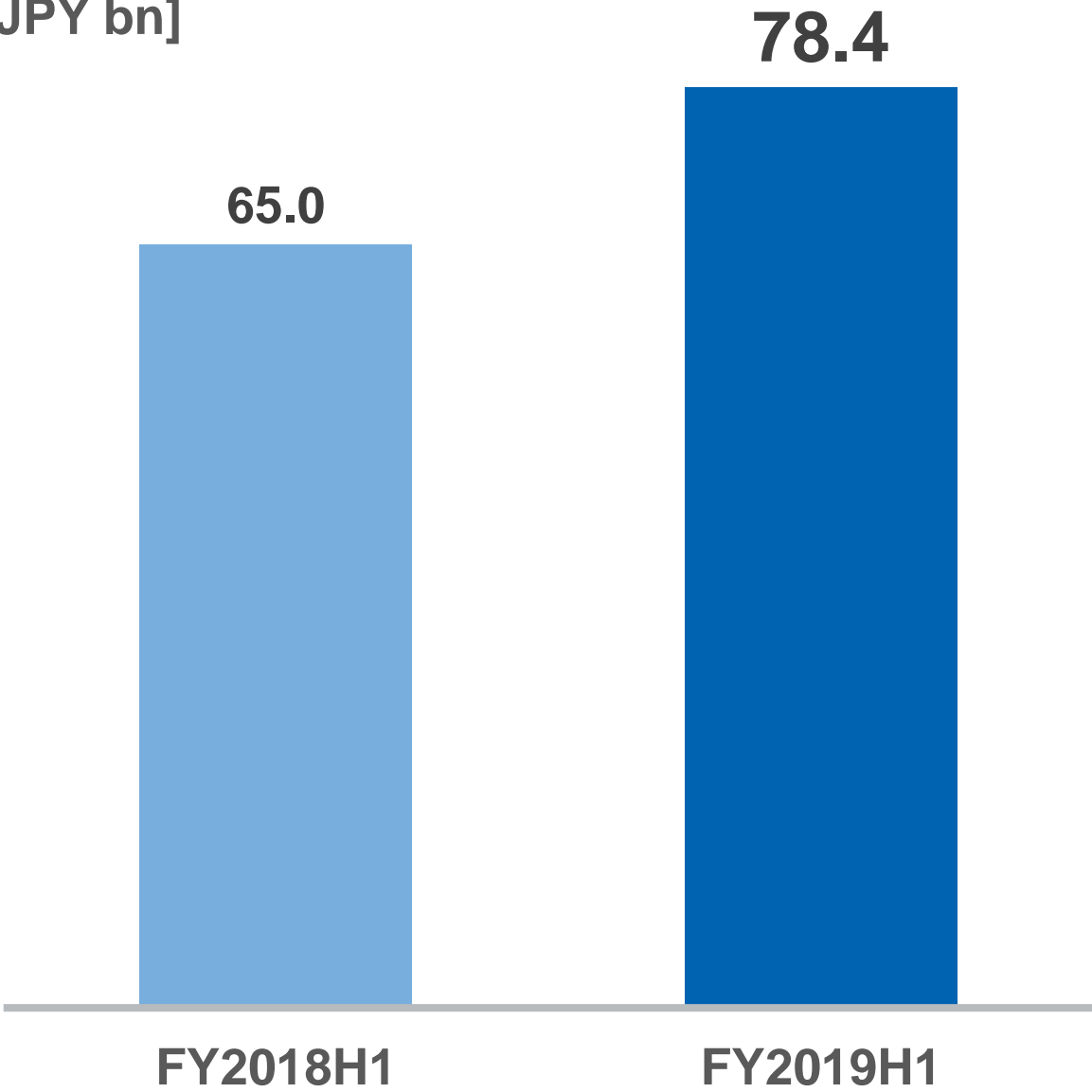
# Enterprise: Revenue



**Up 4%**  
Business solution  
drove the growth

# Enterprise: Revenue of Business Solution and Others

[JPY bn]

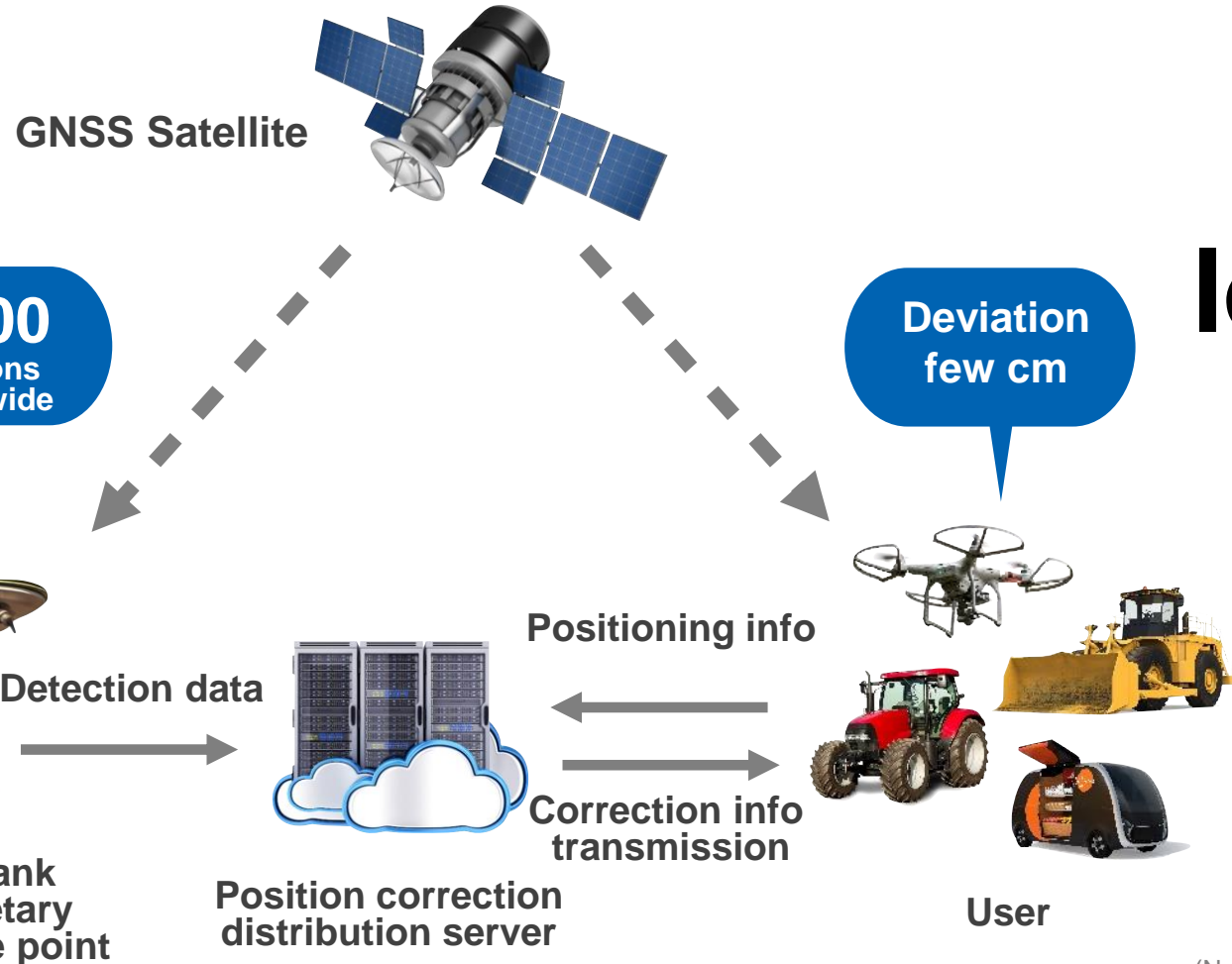


Up 21%



# Centimeter Level Positioning Service

Service image



## High precision location information

Projects in progress with c.100 companies

(Note) GNSS (Global Navigation Satellite System) refers to all kinds of satellite systems, such as QZSS (Quasi-zenith satellite system), GPS, GLONASS, Galileo and others

# Centimeter Level Positioning Service



Demonstration experiment with Yanmar Agri



Deviation  
**0.89cm**

**Automatic operation of  
agricultural machinery  
with accurate position  
information support**

**No unplowed field missing**

(Note) Position deviation: measured when agricultural machinery is in stationary.



# Drone Inspection Service



## Nationwide infrastructure inspection application

Plan to install centimeter level positioning service



Service started  
November 1

Detecting abnormalities with  
drone aerial photography

Cracks

Bolt  
damages

Tree  
fallings

<Target facility examples>

Power lines



Bridges



Railways



Power plants




Construction site



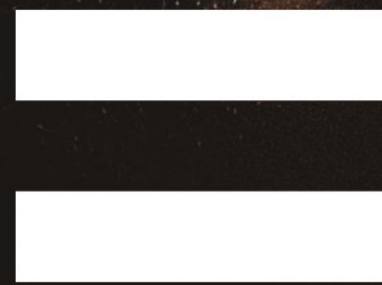
Arena







世界は変わる。  
準備はいいか？



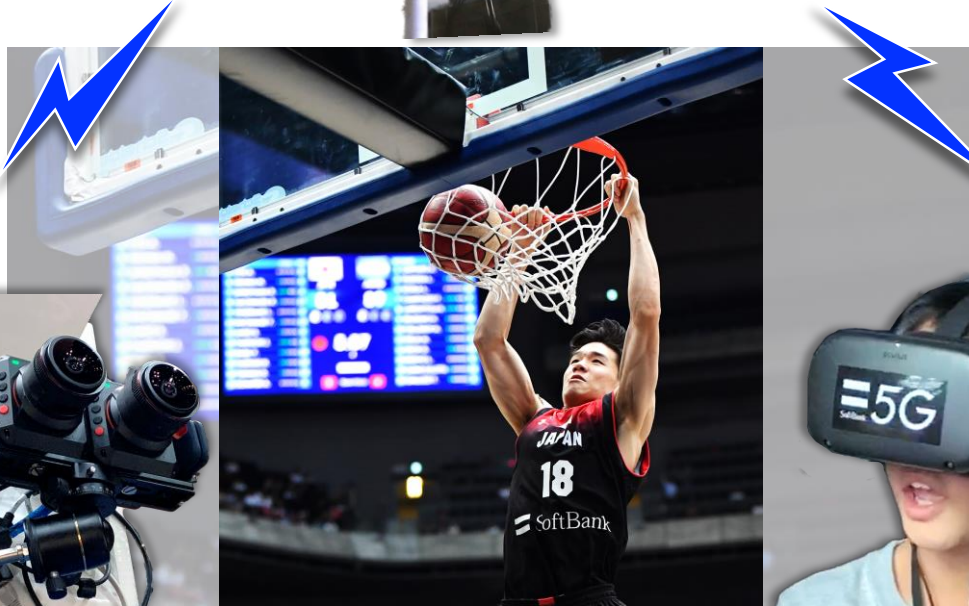
SoftBank

5G

5G Antenna



## International Basketball Games Providing 5G Pre-service



VR camera  
installed under hoop



5G service  
coverage on-site



**We would like to express our heartfelt  
condolences to everyone who has  
suffered from the typhoon.**



# **SoftBank Disaster Response Activities**

# Network Response Plans for Disasters

1

## Strengthen nationwide network centers

Important sites in operation for more than 48 hours during power outage  
Fuel storage in major regions nationwide



2

## Action plans for base station power outage

Action plans prepared for power outage of more than 24 hours



3

## Various solutions for recovery

Mobile base station vehicles / Power supply vehicles / Tank trucks / Portable base stations / Satellite antennas / Balloons



Regular drills with Self-Defense Forces, Japan Coast Guard and local governments

# Disaster Response: Recovery Activities

## Typhoon No. 19 (Hagibis) Recovery Activities

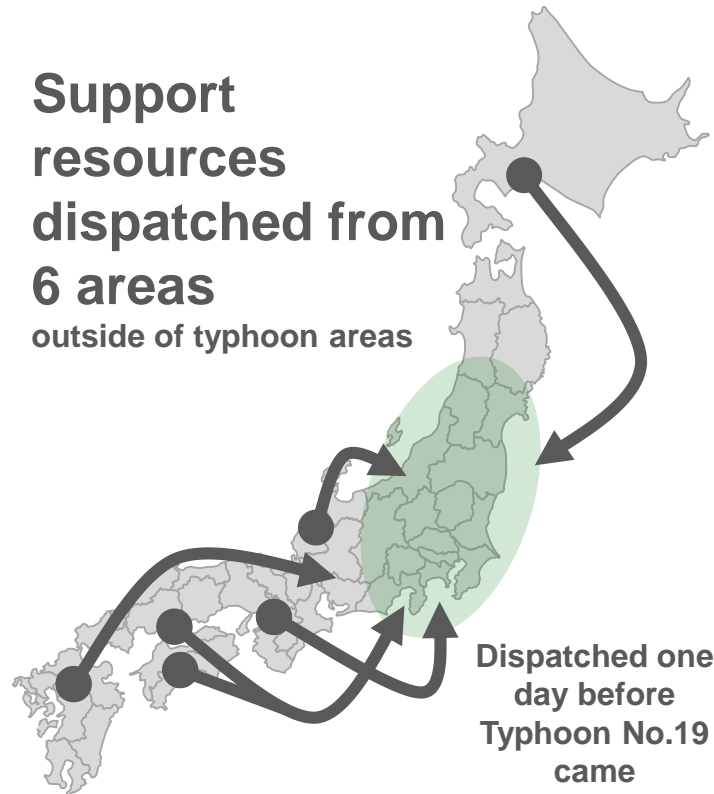
### Prompt response center setup

Established mitigation headquarter 2 days before Typhoon No.19 came



### Wide area support

Support resources dispatched from 6 areas outside of typhoon areas



### All effort recovery

Including partners  
**10,000\*** staff in action



# Disaster Response: Rescue Support Activities

## Typhoon No. 19 (Hagibis) Support Activities

### Free charge service

Free charge services in SoftBank and Y!mobile shops in disaster regions



(Note) There are photos from shelter in Igi-gun, Miyagi (left) and AEON mall in Kisarazu (right)

### Free Wi-Fi service

Using common SSID  
“00000JAPAN” free in all disaster-hit areas

Applicable areas:  
All areas in prefecture  
Miyagi, Fukushima, Ibaraki,  
Gunma, Saitama, Chiba,  
Tokyo, Kanagawa, Niigata,  
Yamanashi, and Shizuoka




### Support measures

For customers in the areas that Disaster Relief Law applies to

- Waive charges for additional data purchase
- Extend the payment due date
- Reduce or waive the cost of handset repair and loss





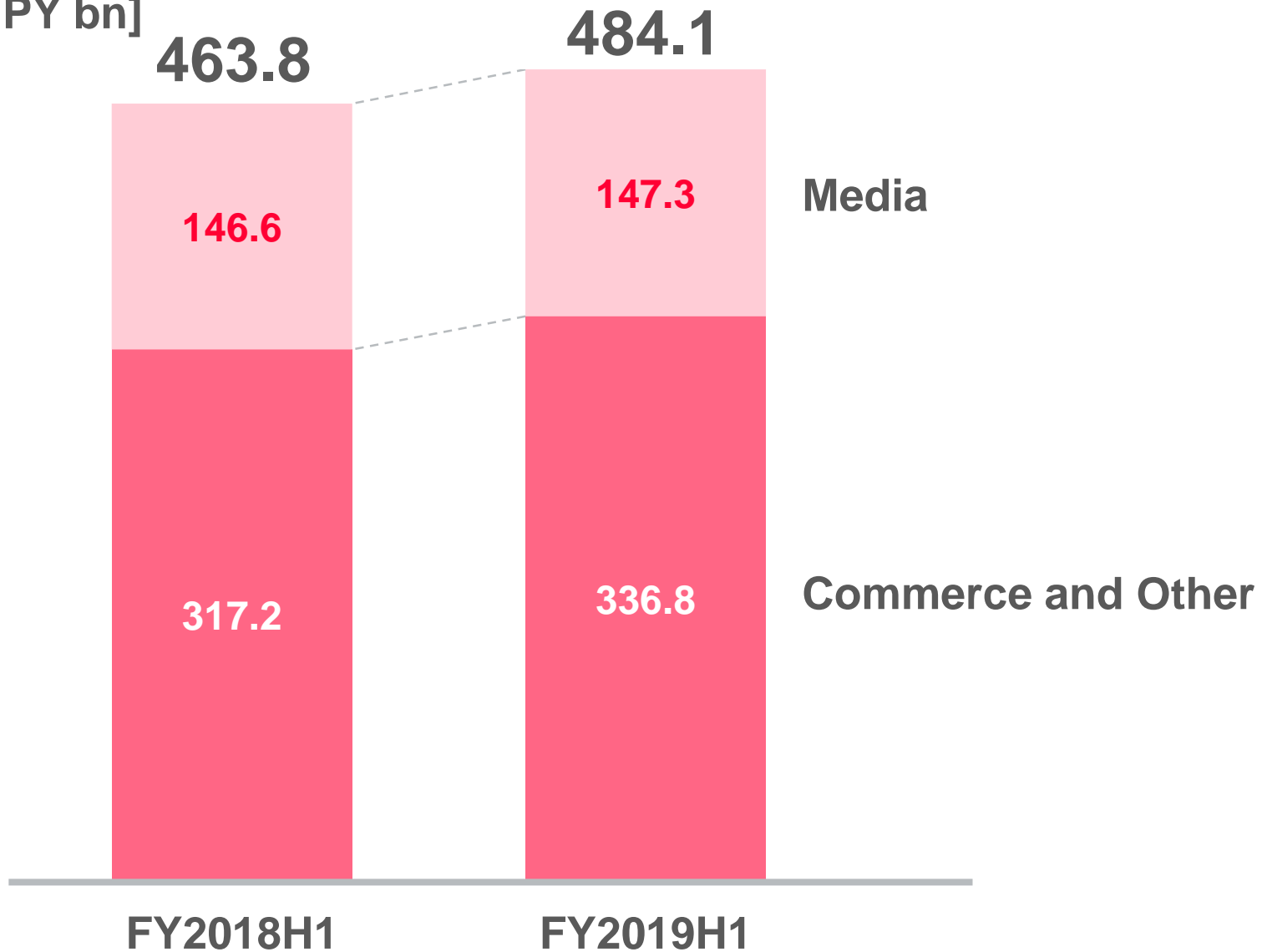
The background is a collage of four images. Top-left: A worker in a blue uniform and white helmet is climbing a tall metal tower. Top-right: A helicopter with the number '8868VR' is flying in a cloudy sky, suspended by a cable. Bottom-left: A view of a coastal area with green hills and a blue sea under a cloudy sky. Bottom-right: A control room with several people in blue uniforms working at computers. The text 'SoftBank' is visible on the back of one person's uniform.

**SoftBank will continue to strengthen disaster response efforts as a telecommunications carrier responsible for social infrastructure**

**YAHOO!**  
**JAPAN**

# Yahoo: Revenue

[JPY bn]



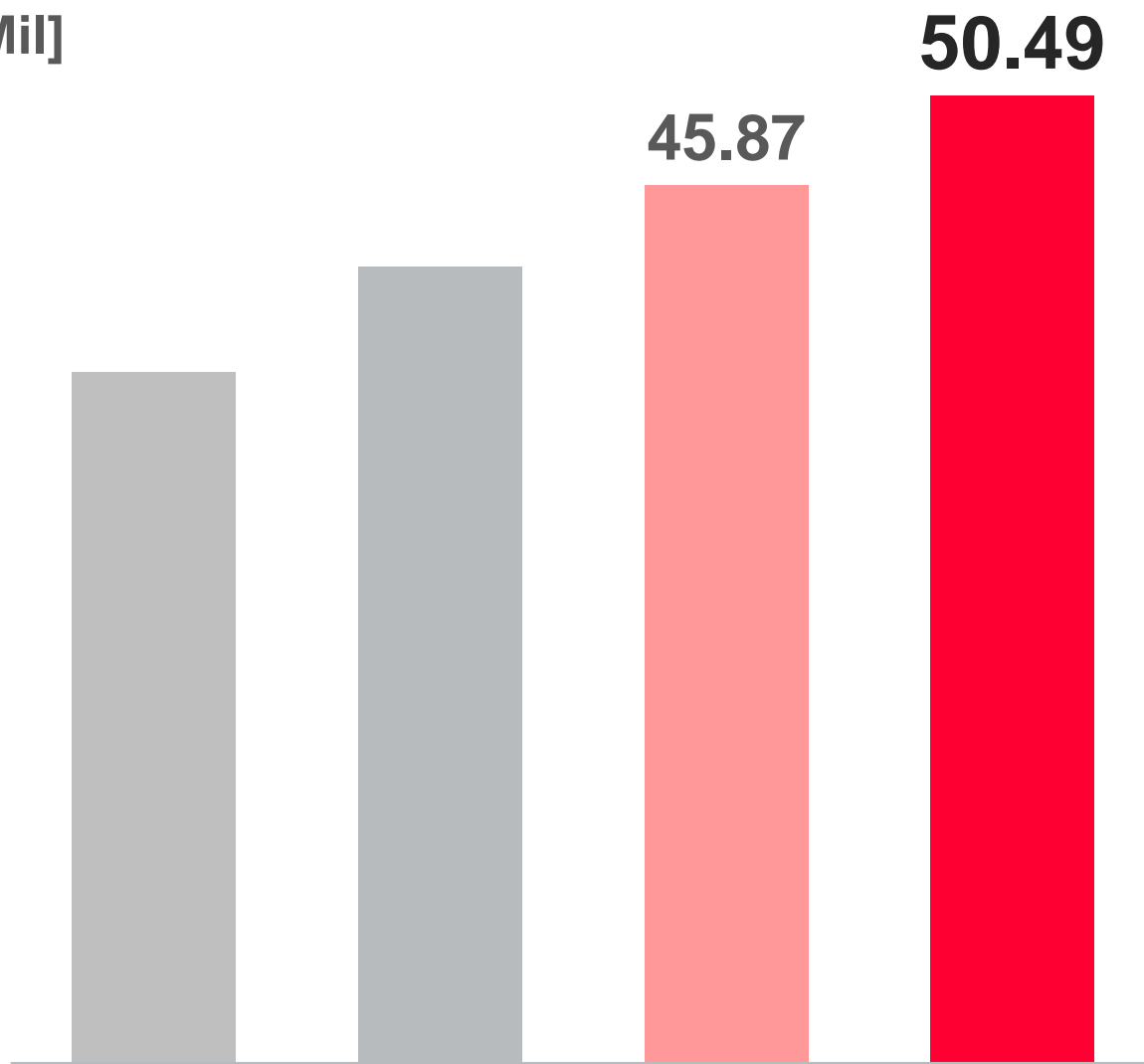
Up 4%



# Yahoo! JAPAN Monthly Logged-in User IDs

Media

[Mil]



FY2016Q2 FY2017Q2 FY2018Q2 FY2019Q2

(Note) Number of Yahoo! JAPAN IDs logged in each month at the end of the quarter.

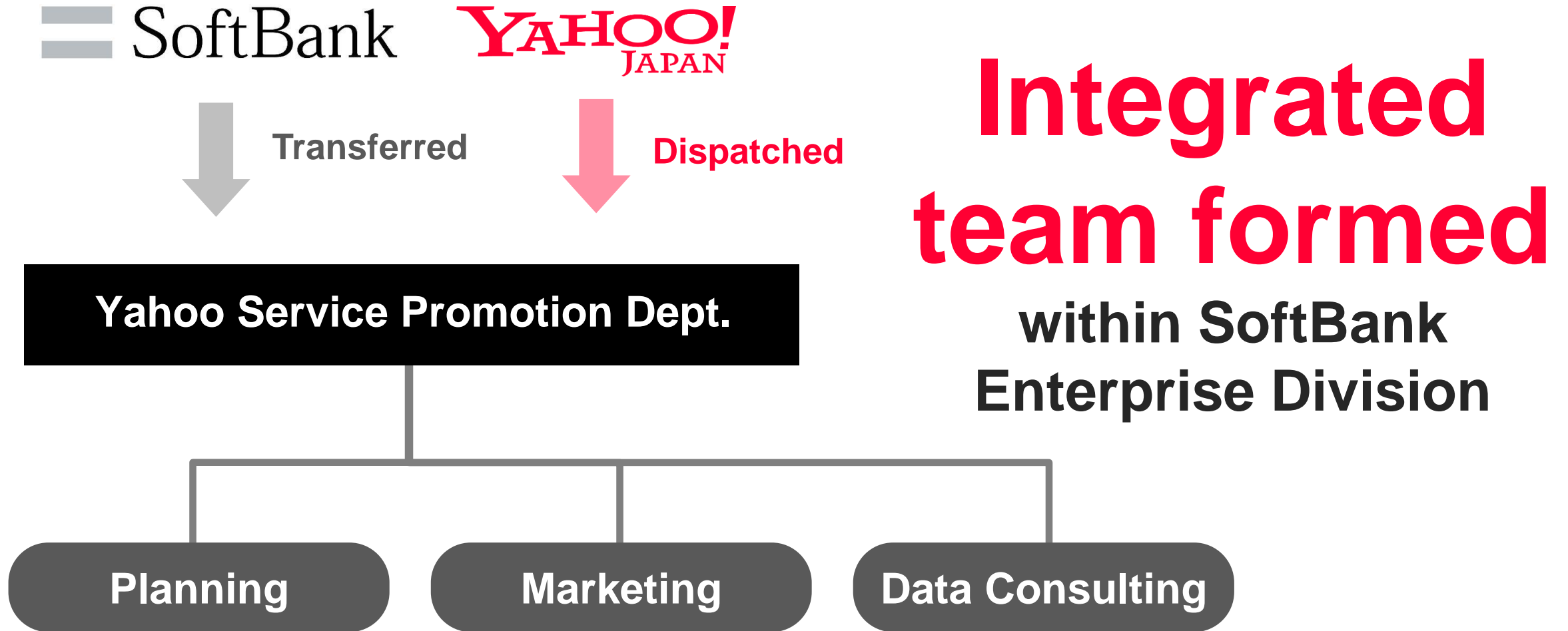
Up 10%



(Source) Yahoo Japan Earnings Results Presentation Materials, dated November 1, 2019



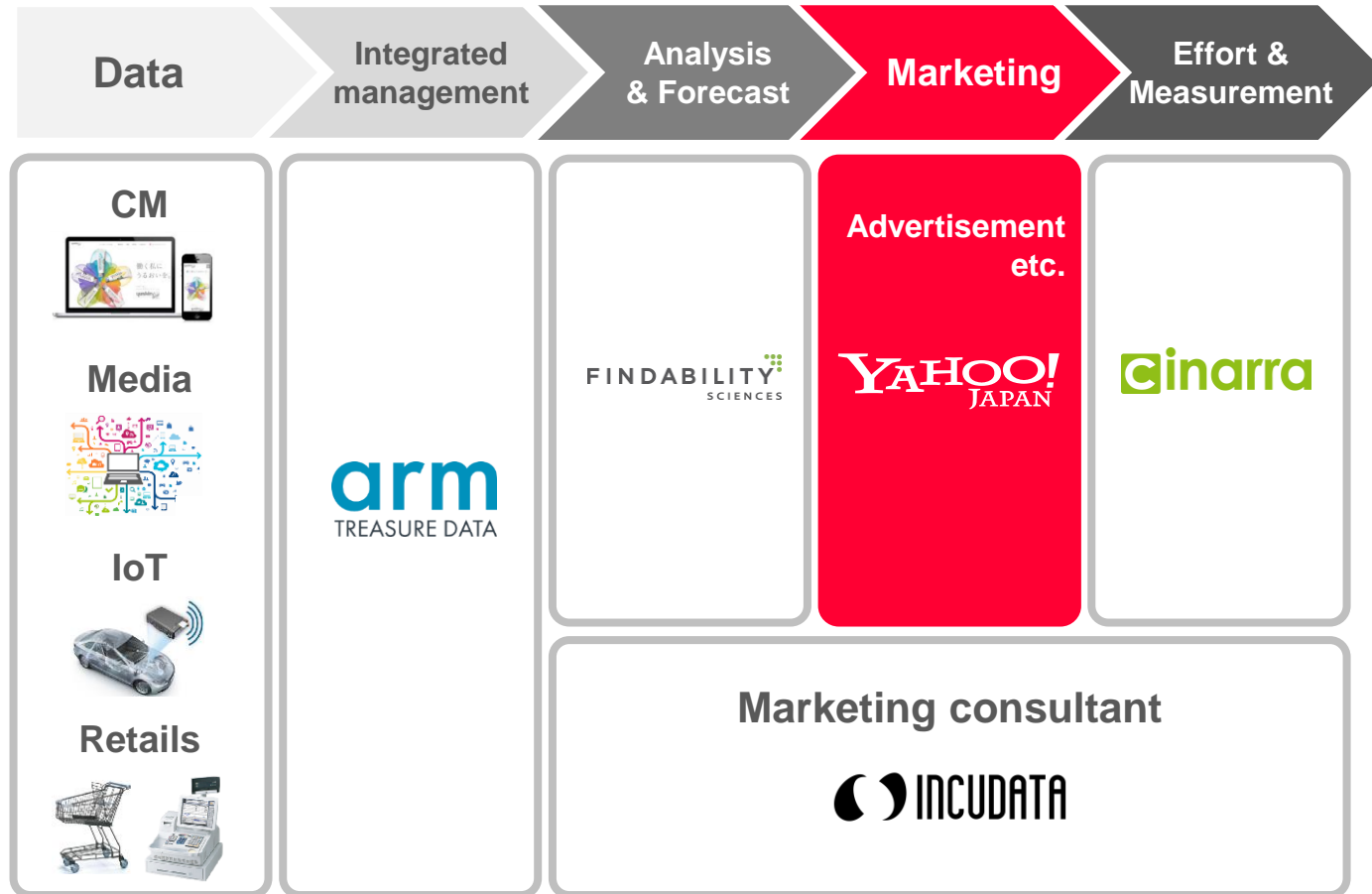
# Yahoo Segment: Strengthen Enterprise Sales



# Yahoo Segment: Strengthen Enterprise Sales

SoftBank

Total solution for enterprise customers



**Yahoo**  
**products**  
**promotion strengthened**  
via SoftBank's total solution to  
enterprise customers

# E-commerce Transaction Value

Commerce

[JPY bn]

604.7

540.0

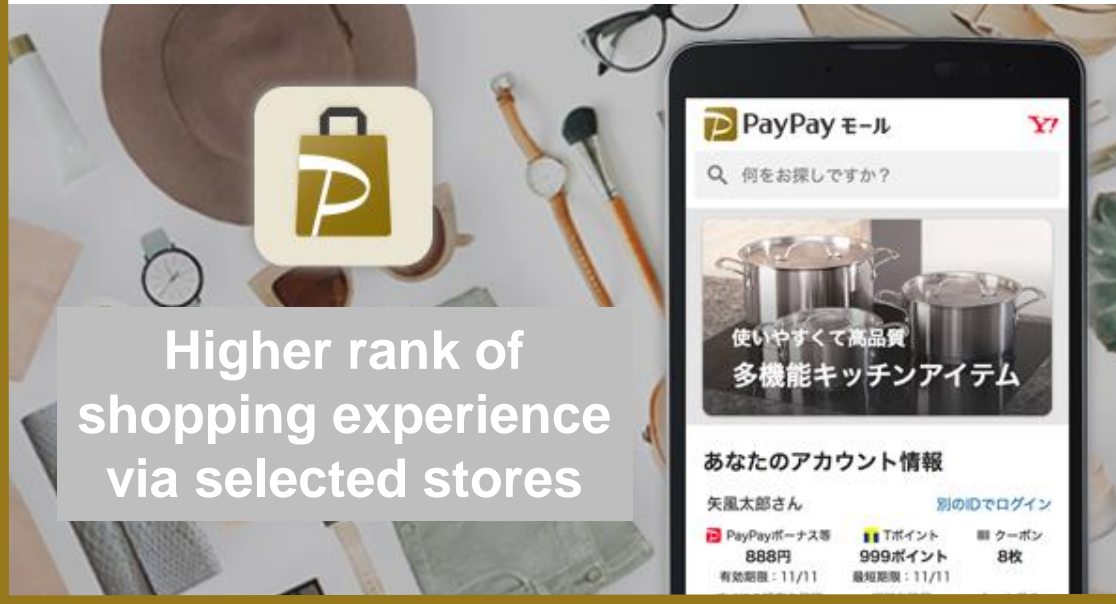
Up 12%

FY2016Q2 FY2017Q2 FY2018Q2 FY2019Q2

(Source) Yahoo Japan Earnings Results Presentation Materials dated November 1, 2019

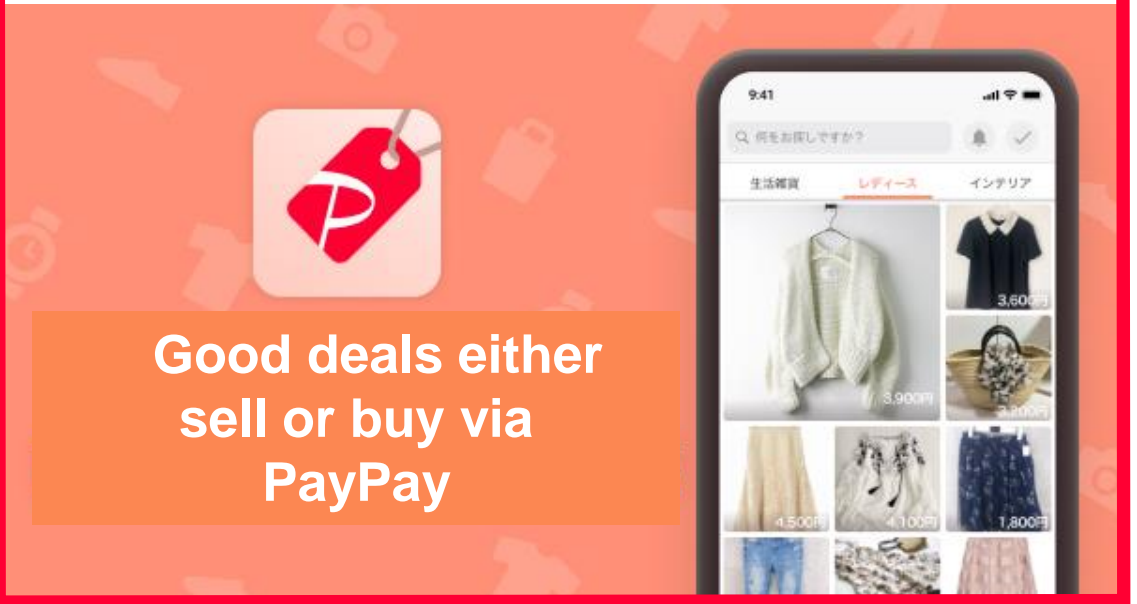
# PayPay: New E-commerce Services

## Premium shopping mall



Higher rank of shopping experience via selected stores

## Good-deal flea market app



Good deals either sell or buy via PayPay

# Cross Company E-commerce Projects

## ニッポン PayPayPay! プロジェクト

Japan PayPayPay Project

### Yahoo

PayPay Mall



Max. **20%**  
equivalent return

“10 B Yen Giveaway Campaign”

PayPay Flea Market and Yahoo! Shopping  
various campaigns on-going

### PayPay

Government  
consumer return

PayPay  
customer return

消費者還元事業から

**5%**



PayPayから

**5%**



Total

**10% return!**

### SoftBank

SoftBank

**Y!**mobile

Mobile subscribers gain  
additional values

Active deployment of e-commerce across three organizations

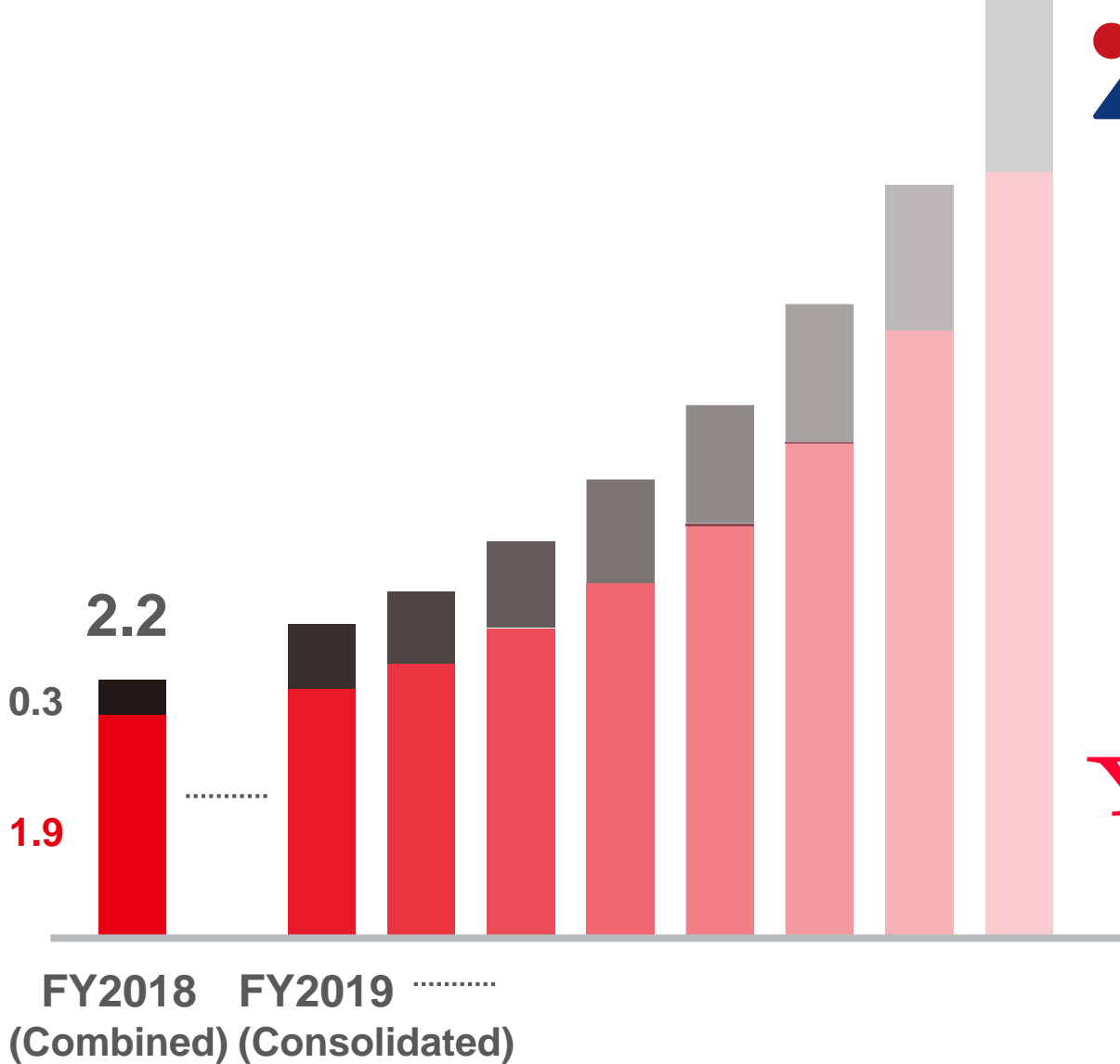


**Yahoo aims to make  
ZOZO a consolidated subsidiary  
Tender Offer in Progress**

# E-commerce Transaction Value (sales of goods)

Commerce

[JPY Tri]



Target first half of 2020s

No.1  
in Japan



# **Growth in New Businesses**

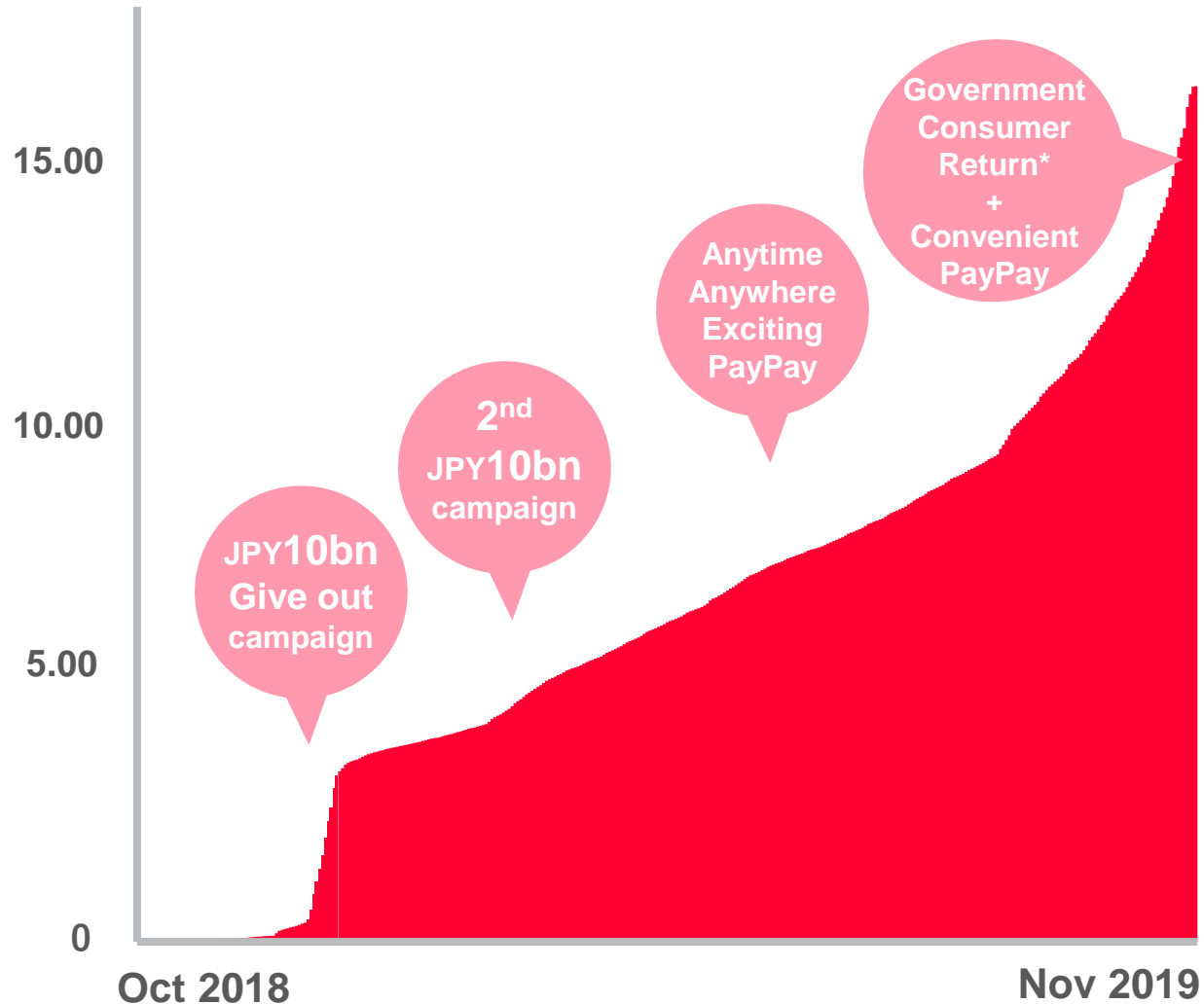




# Smartphone Payment Service PayPay

# PayPay: Cumulative Registered Users

[Mil]

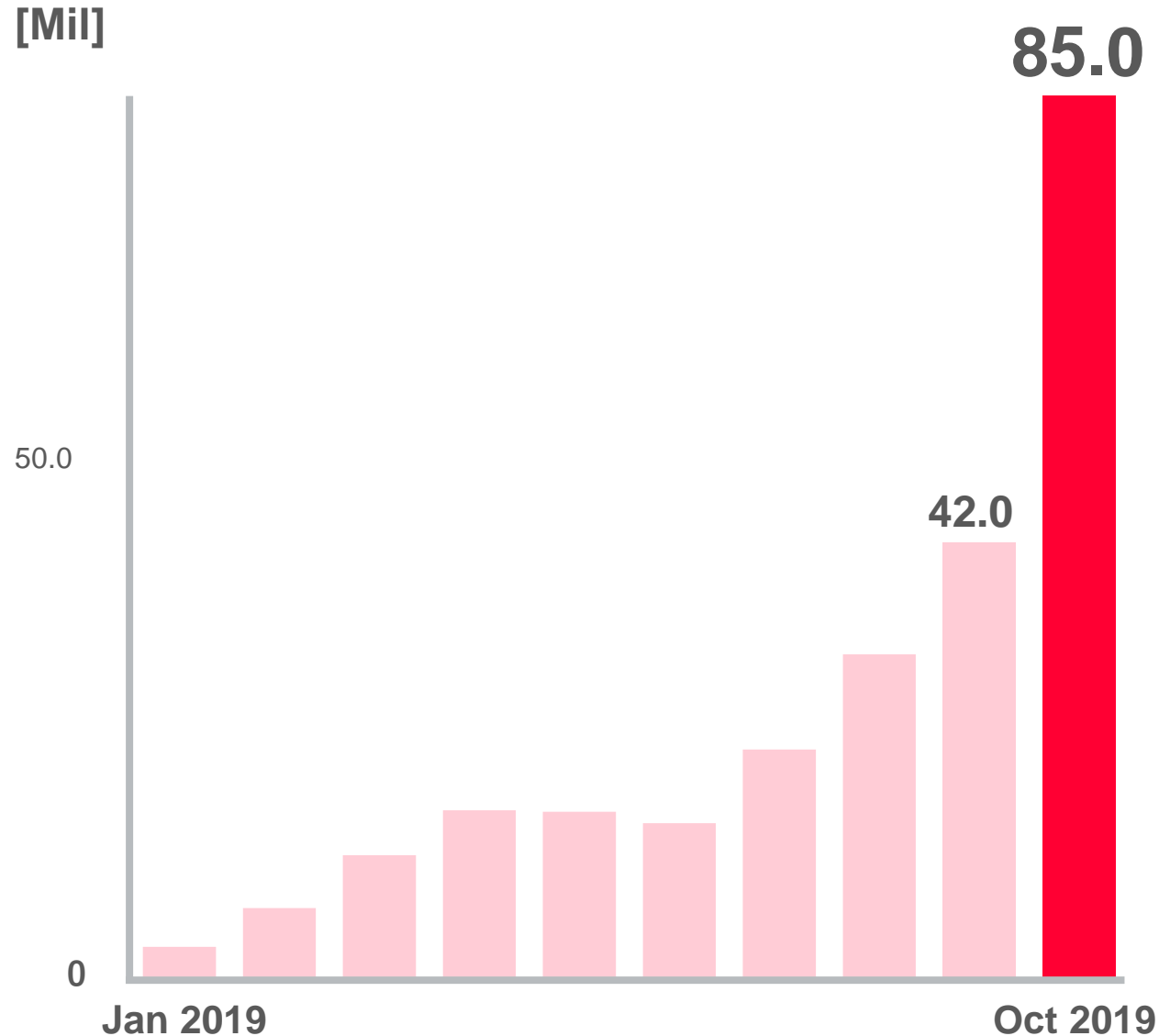


**19.0 mil**  
**13 months since launch**

\* Government Consumer Return refers to the Point Reward Project for Consumers using Cashless Payment, initiated by the Ministry of Economy, Trade and Industry, which is a subsidy program for small and medium-sized enterprises and micro enterprises that wish to issue point rewards for consumers using cashless payment. This project aims to level demand after the consumption tax rate hike on October 1, 2019.

(Source) Data by PayPay Corporation, collected from October 5, 2018 to November 5, 2019, including registrations from PayPay app and via Yahoo! JAPAN app

# PayPay: Number of Transactions per Month



Daily usage  
**Steep rise**

ま ち か ど  
べ い べ い  
第1弾

PayPayなら対象店舗で もっとおトク!

Government Consumer Return 5% CASHLESS

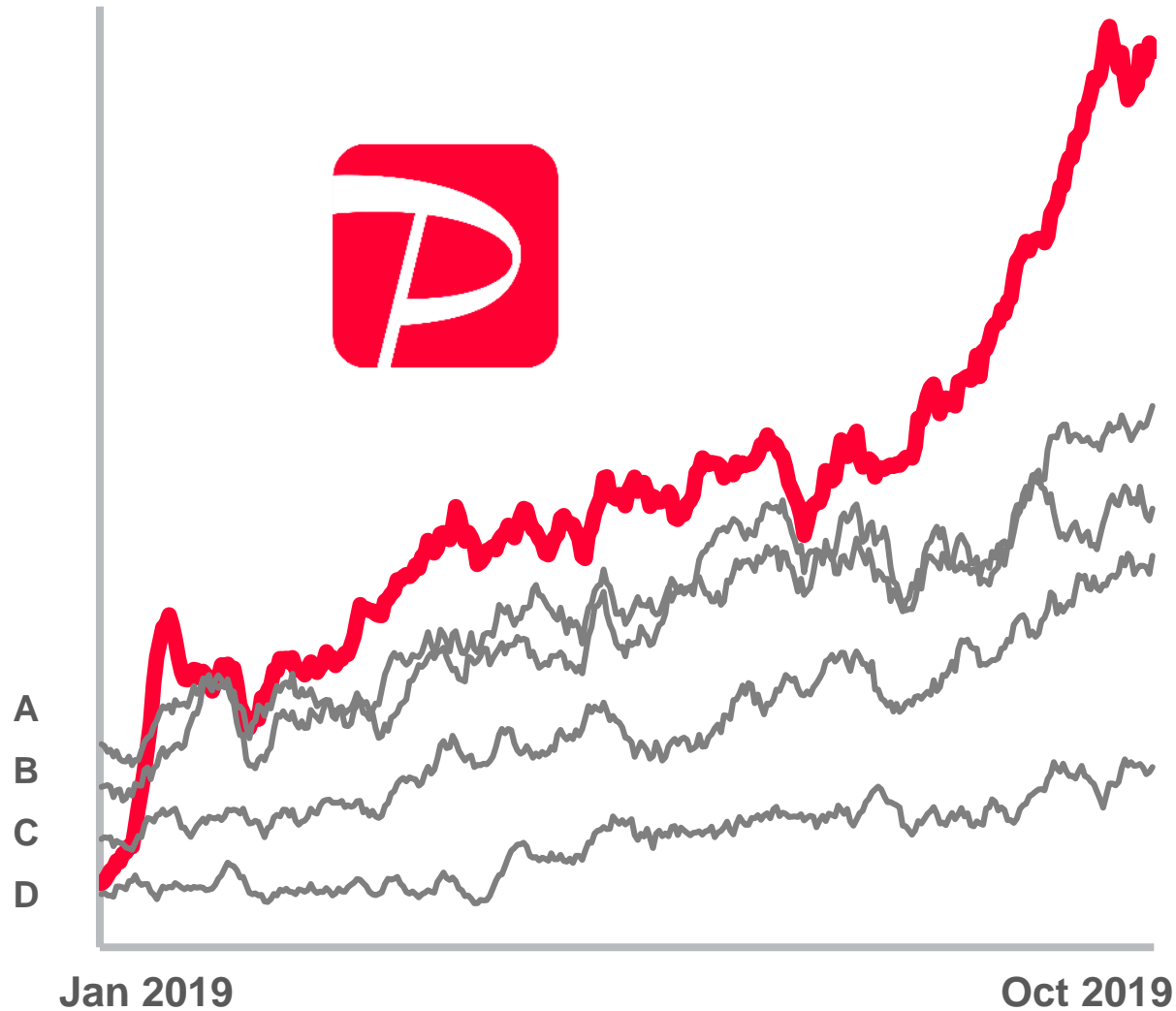
PayPayから 5% PayPay

PayPay Customer Return

Total

**10% Return!**

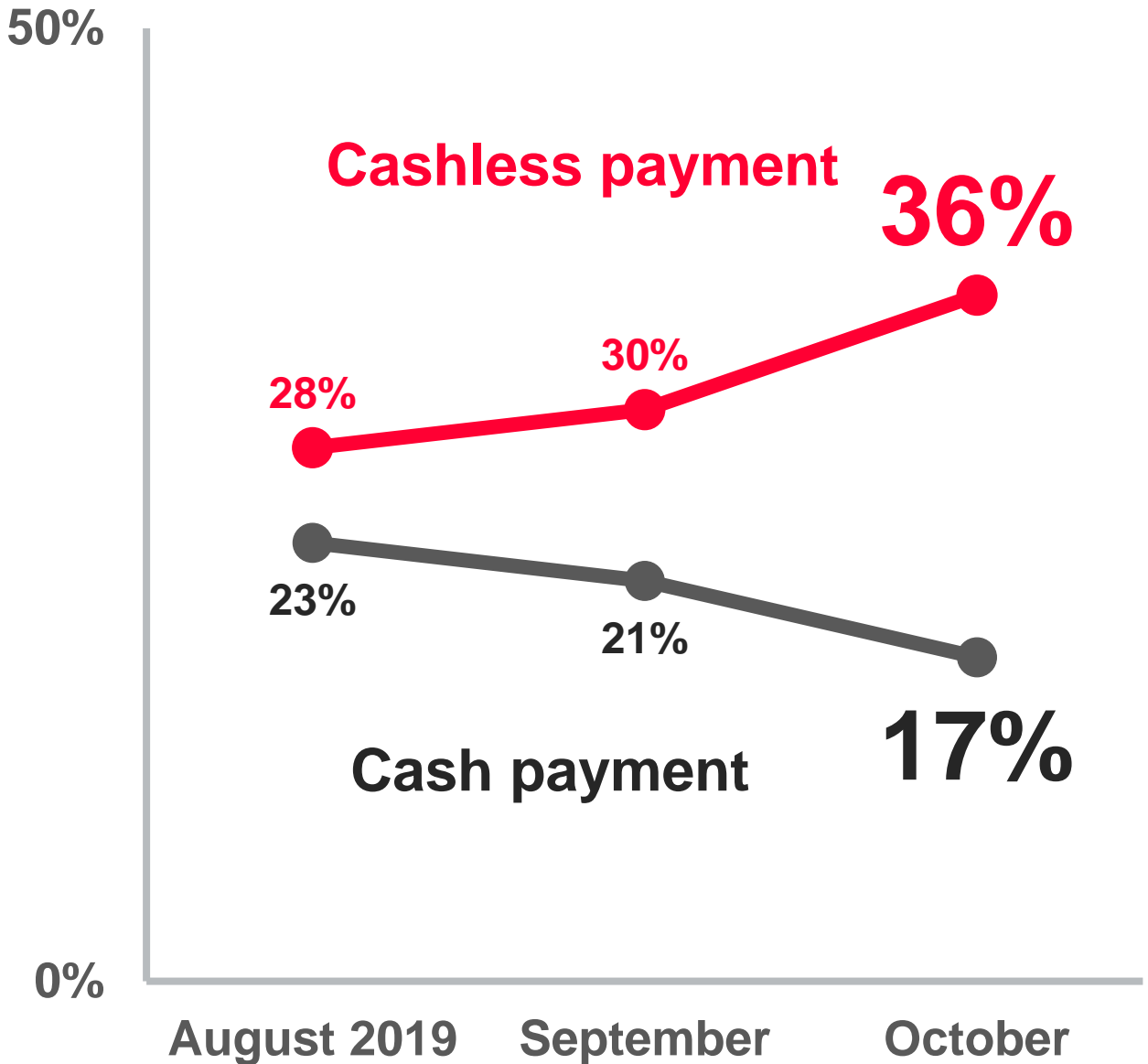
# QR Code Payment Service Intention of Use Survey



Intention of Use  
**Far ahead**

(Source) Survey by PayPay Corporation. A, B, C and D are other companies who provide QR code payment services.

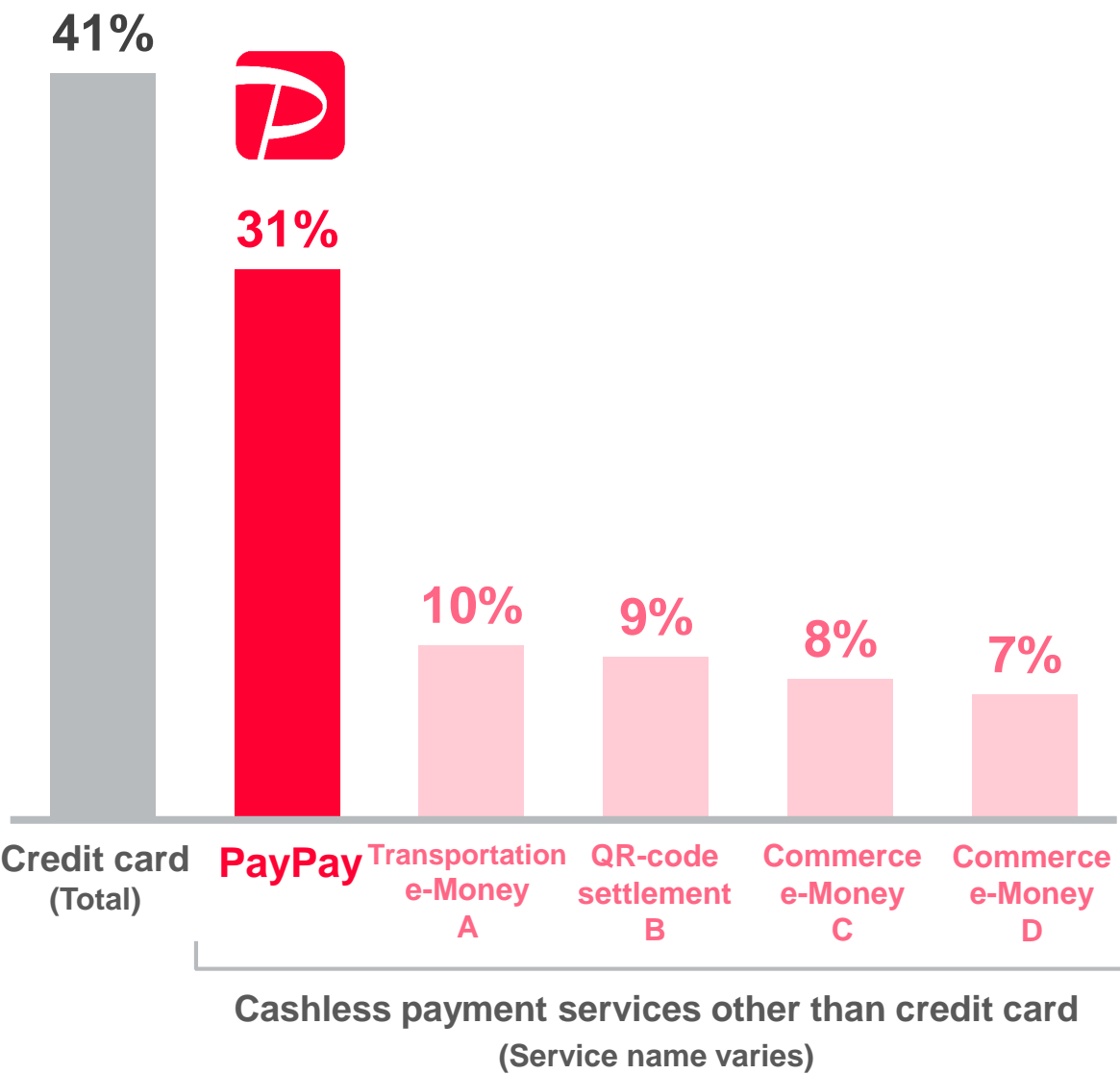
# Recognition Survey: Daily Payment Method Preference



Intention of use  
for cashless  
increased

(Source) Research by our company  
Period and sample: August 2-8 (n=3,353), September 6-12 (n = 3,594), October: 4-7 (n = 2,044). Question “As payment for daily shopping, which method do you like better”, and answers “I like to use cashless as much as possible” and “I like to use cash as much as possible” were given.

# Recognition Survey: Cashless Payment Preference



**No.1**  
**excluding credit card**

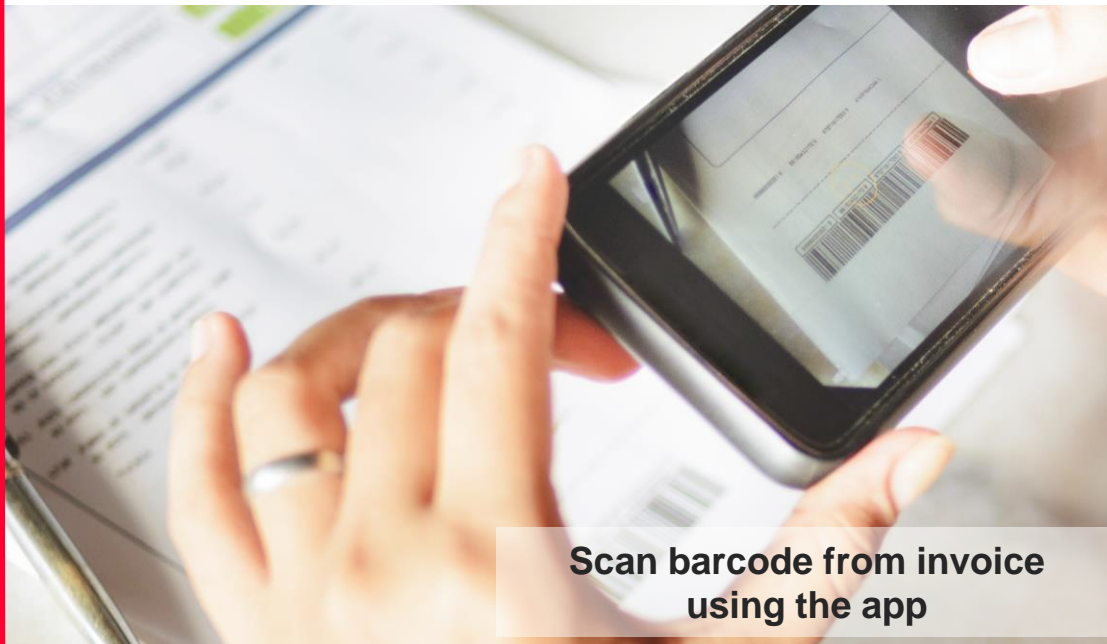
(Source) Survey by our company  
Sample: October 4-7, 2019 n = 2,044 (15~59 year old male and female)  
Method: To answer the “For everyday shopping and other transaction, when you use cashless method, what are the names of the services come to your mind”, the respondents can chose multiple answers or write names not in choices. Ratio is the % of the times of the name answered over total number of answers.  
(Note) Credit card includes all kinds of credit card services such as VISA and JCB



# Realizing new functions continuously

## Utility bill payments

PayPay can be used to pay bills for electricity, gas, water, tax and etc.



Scan barcode from invoice  
using the app

## Cash withdrawal

Withdrawal from PayPay to bank account is possible with the registration for fund transfer business license completed



Cash withdrawal from PayPay balance  
**PayPay Money** now available

# Evolution to “Super App” from a payment app

## Off-line



Convenience store



Barber shop



Retail store



Food stand



Pharmacy



Restaurant

## Financial Services



Postpay



Gold



Loan



Investment



Insurance



Household management

## Utility bills/Tax



Utilities



Tax



Phone bill

## On-line/O2O



EC



Movie reservation



Orders/  
Booking



Taxi



Hotel



Ticket



Flight tickets

## P2P/Social



Pocket money



Pleading for tip



Gift



Celebration



Donation



Splitting bill



(Note) Items in Red have been realized as of October 2019





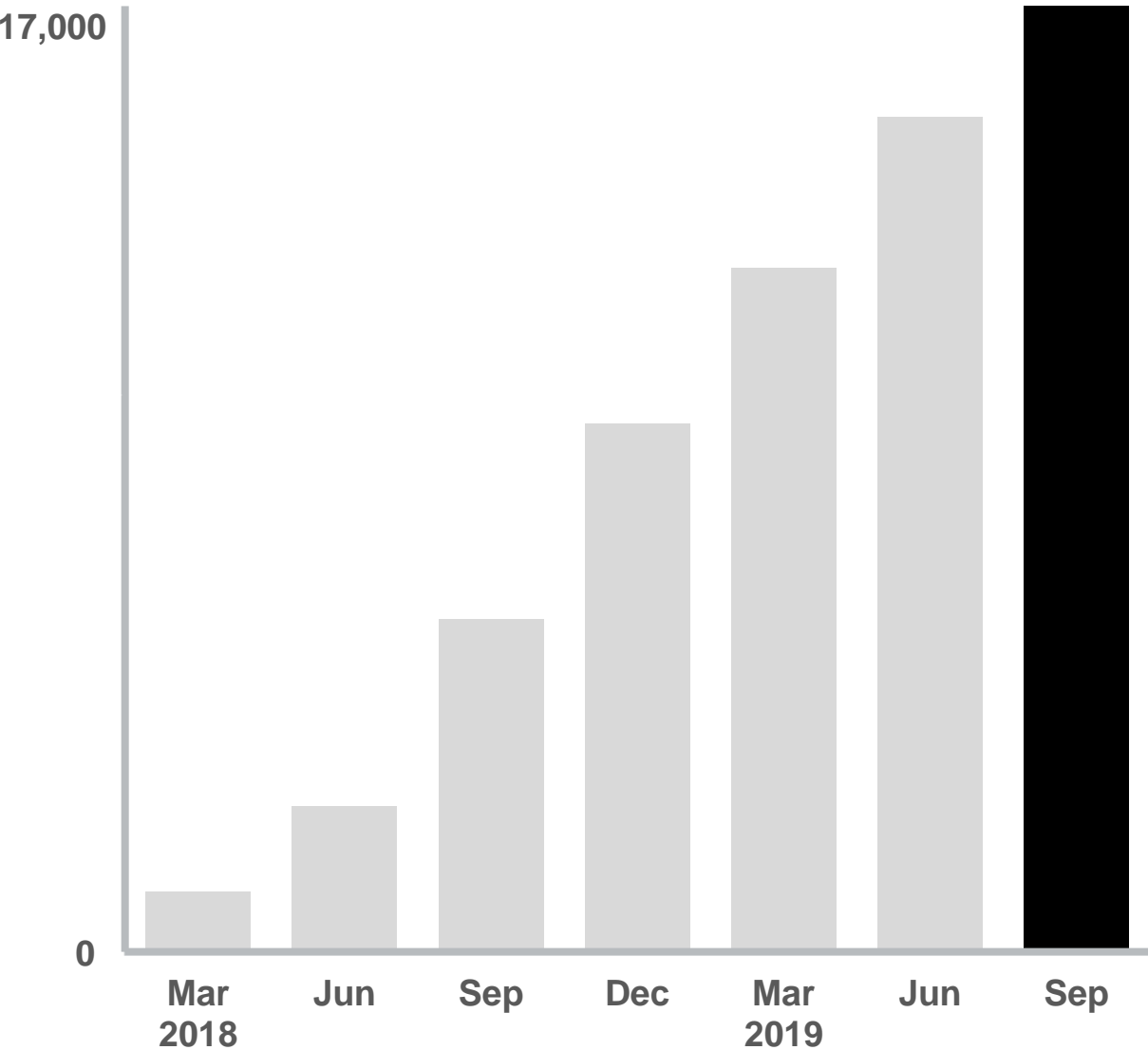
# Community Promoted Workspace WeWork

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(Photo credits) WeWork

# WeWork Memberships in Japan

[Memberships]




**17,000**  
**1 year and 7 months**  
since launch in February 2018

(Source) Provided by WeWork Japan  
(Note) Memberships at the beginning of each month

# WeWork Japan Locations

Roppongi	Yokohama	Kamiyacho	Osaka (Midosuji)
Marunouchi	Kyobashi	Yotsuya	Nihonbashi
Ginza	Osaka (Namba)	Jimbocho	Toranomon
Shimbashi	Nogizaka	Fukuoka (Nakasu)	Hyogo (Sannomiya)
Hibiya	Fukuoka (Daimyo)	Nagoya	Osaka (Umeda)
Jingumae	Ikebukuro	Hanzomon	NEW



## Expanding nationwide

## 23 locations in 6 cities

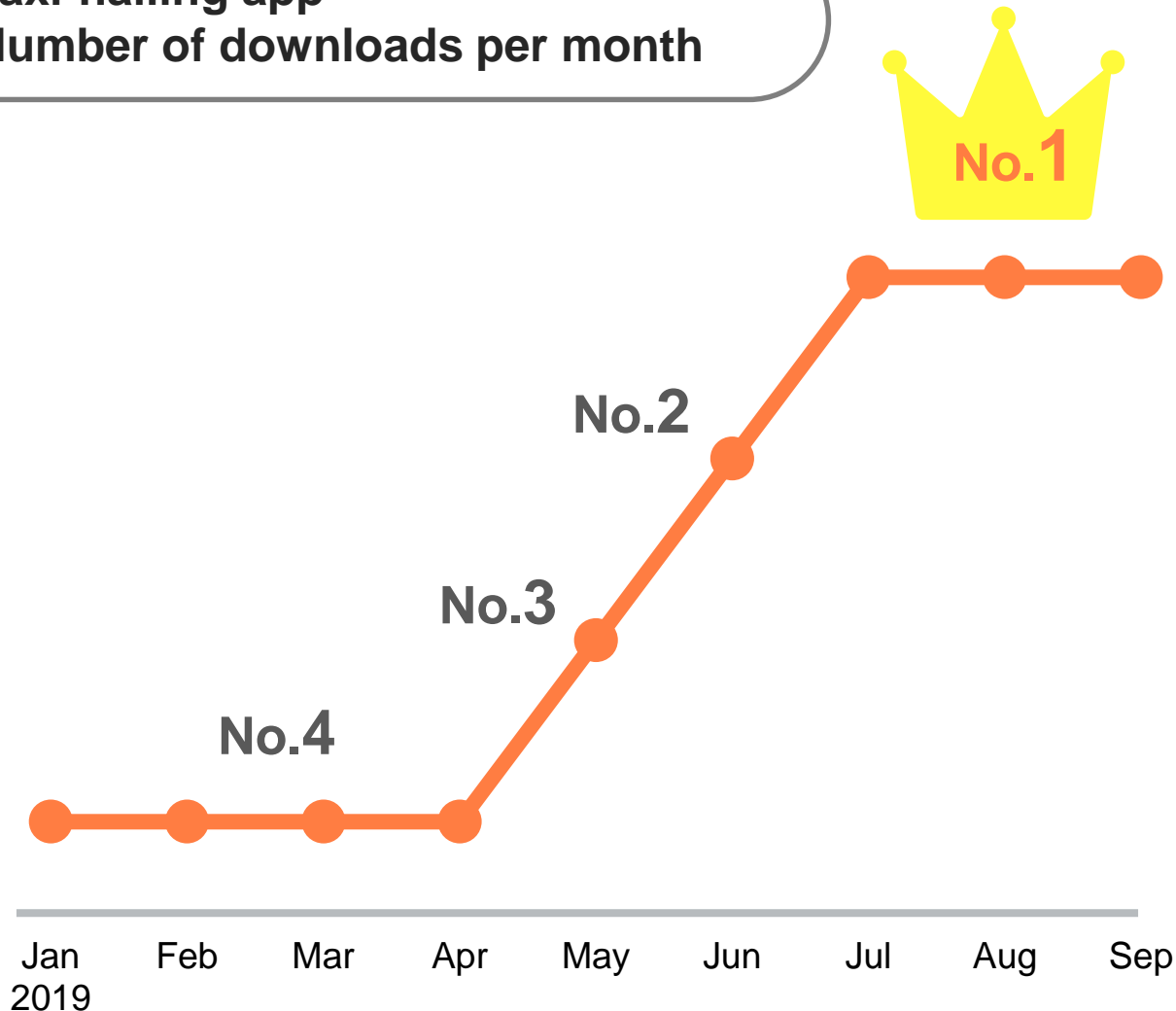
(As of November 2019)



# AI Taxi-hailing Platform DiDi

# DiDi: Taxi-hailing App Comparison

Taxi-hailing app  
Number of downloads per month



Number of downloads

**No.1**

for 3 consecutive months

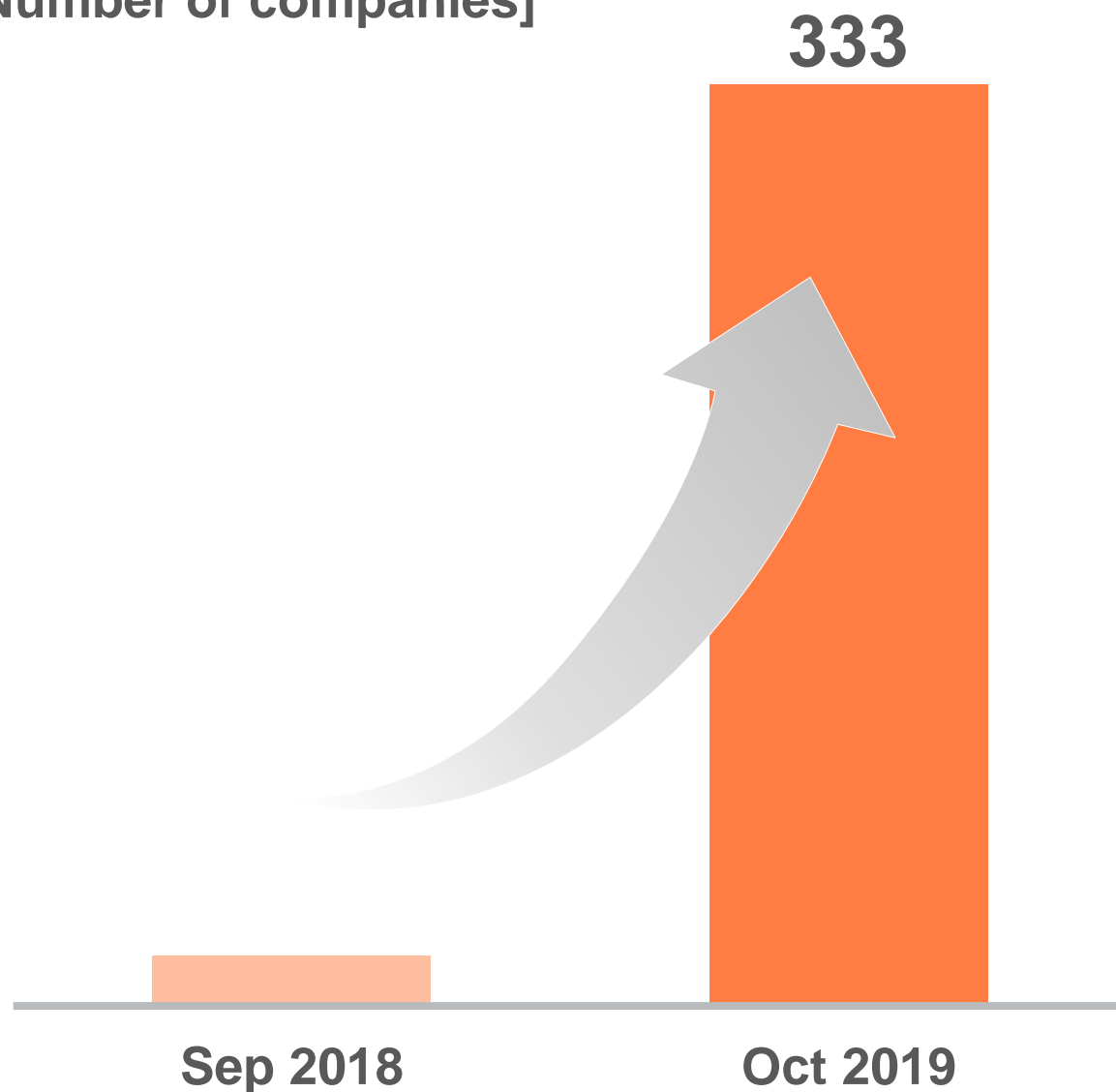


(Source) App Annie from January 1 to September 30, 2019  
(Note) Comparison of monthly number of downloads among open platform for taxi-hailing apps.



# DiDi: Number of Contracted Companies

[Number of companies]



**x18**

**13 months since launch**

# DiDi: Service Area Expansion Target



**Expand to**  
**20 cities**  
**in 2019**

(Source) Provided by DiDi Mobility Japan

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# DiDi

## Seamless use of taxi-hailing app by Chinese visitors



Seamless



## Seamless support for visitors from Mexico, Australia, etc.



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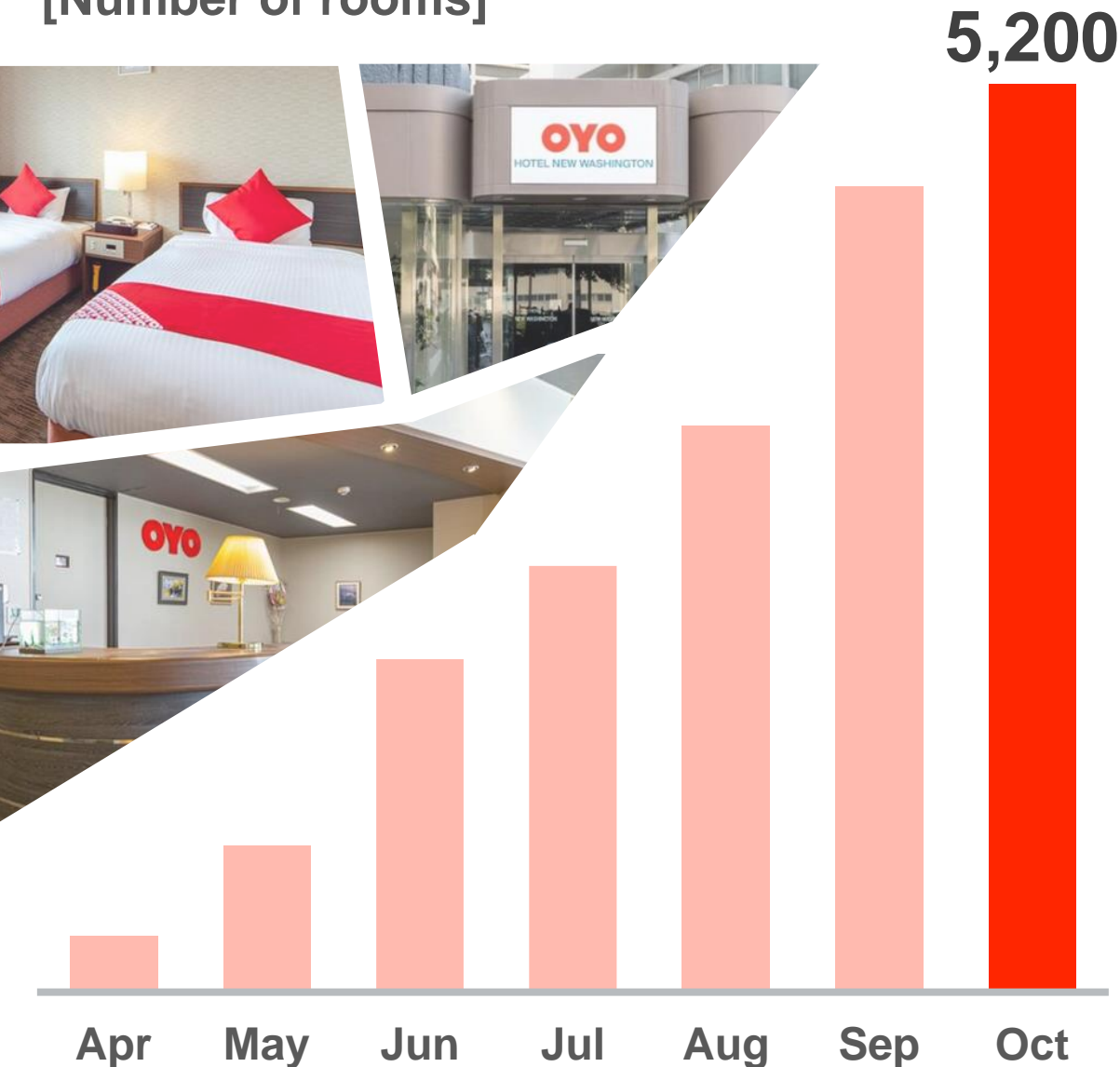
# Innovative Hotel Service **OYO Hotels**

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# OYO Hotels Japan: Number of Rooms in Japan

[Number of rooms]



**Guest room**

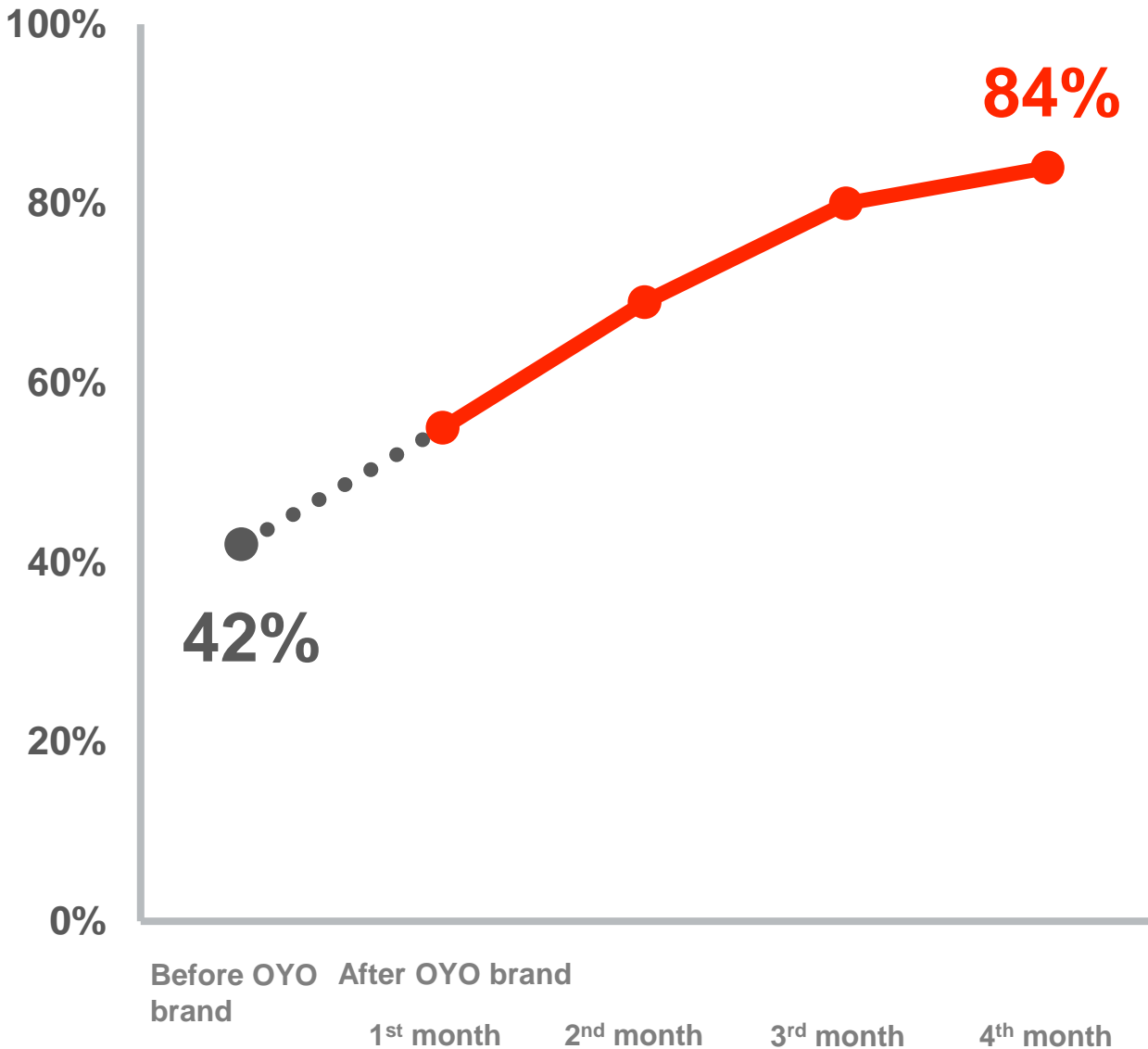
**5,200+**

**Opened in 39 prefectures in Japan  
in only 7 months**

(Source) Provided by OYO Hotels Japan

(Note) Hotel rooms opened under OYO brand as of October 31, 2019

# OYO Hotels Japan: Average Occupancy



**Average occupancy**

**80%+**

**3 months after OYO brand**

(Source) Provided by OYO Hotels Japan  
(Note) Sample: c 400 rooms opened in May 2019  
Before OYO brand: occupation rate before reformed as OYO brand  
After OYO brand: average occupancy from May to August 2019 after open with OYO brand



# OYO Hotels Japan



In addition to OYO app

**Booking from various  
online sites**

**YAHOO!**トラベル  
JAPAN

**Booking.com**

agoda  
● ● ● ● ●

**Rakuten Travel**



Others

(Note) The photos are image

# Accelerating the collaboration with partners inside and outside of Japan in various areas

## Collaboration with SoftBank Vision Fund Investees

**wework**

JV

**DiDi**

JV

**OYO**

JV

**COHESITY**

JV

**Paytm**

Collaboration

**arm**  
TREASURE DATA

Collaboration

**mapbox**

Collaboration

**brain@corp**

Collaboration

**AUTOMATION ANYWHERE**  
Go be great.

Collaboration

**TBCA**  
Soft

Investment

**SoftBank**  
Robotics

Collaboration

## Collaboration with Other Partners

**MONET**  
MONET TECHNOLOGIES INC.

JV

**cybereason**

JV

**HAPS MOBILE**

JV

**J.Score**

JV

**FINDABILITY**  
SCIENCES

JV

**SB Cloud**

JV

**ENCORED**

JV

**One Tap BUY**

Investment

**ZIMPERIUM**  
MOBILE THREAT DEFENSE

Investment

...

# SoftBank Growth Strategy

**Beyond Carrier**



**New  
Businesses**



**AI / Technologies**  
Cutting-edge business models

**Yahoo Japan**



**Telecom  
Business**



Smartphone subscriber growth



Broadband subscriber growth



New infrastructure





**Information Revolution — Happiness for everyone**

**= SoftBank**



The logo consists of two horizontal gray bars stacked vertically, followed by the text "SoftBank" in a black serif font.

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