

# **Earnings Results for the Three Months Ended June 30, 2020**

**SoftBank Corp.**  
**August 4, 2020**

# Disclaimer

## **Important Notice Regarding Forward Looking Statements and Other Information**

This document is based on the information available to SoftBank Corp. (“we” or “the Company”) as of the time hereof and assumptions which it believes are reasonable. Statements contained herein that are not historical facts, including, without limitation, our plans, forecasts, strategies and beliefs about our business and financial prospects, are forward-looking statements. Forward-looking statements often include the words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “would”, “could” “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof. These forward-looking statements do not represent any guarantee by us or our management of future performance or of any specific outcome are subject to various risks and uncertainties, including, without limitation, general economic conditions, conditions in the Japanese telecommunications market, our ability to adopt new technologies and business models, competition with other mobile telecommunications providers, our ability to improve and maintain our telecommunications network, our reliance on third parties in conducting our business, including SoftBank Group Corp. and its other subsidiaries and associates, our major vendors and suppliers, and other third parties, risks relating to M&A and other strategic transactions, risks relating to information security and handling of personally identifiable information, changes in the substance and interpretation of other laws and regulations and other important factors, which may cause actual results to differ materially from those expressed or implied in any forward-looking statement. The Company expressly disclaims any obligation or responsibility to update, revise or supplement any forward-looking statement in any document or generally to the extent allowed by law or stock exchange rule. Use of or reliance on the information in this material is at your own risk. Information regarding companies other than the Company and our subsidiaries and associates is quoted from public sources and others, and we have neither verified nor are we responsible for the accuracy of information. The information presented herein regarding certain joint ventures and collaborations of the Company, Vision Fund and SoftBank Group Corp. portfolio companies and investments has been selected on a subjective basis, is provided solely for illustrative purposes and does not purport to be a complete listing of all such collaborations or joint ventures. SoftBank Group Corp., the Company and the Vision Fund each have different strategies and objectives with respect to their investments and portfolio company operations. There is no guarantee that any joint venture will be consummated on the terms expressed herein or at all, or that the joint venture will be successful. All such plans are subject to uncertainties and risks, as well as investor consents and regulatory approvals, as applicable. References to such portfolio companies and investments should not be a recommendation of any particular investment.

## **Important Notice Regarding Trading of SoftBank Corp. Common Stock and Un-sponsored American Depositary Receipts**

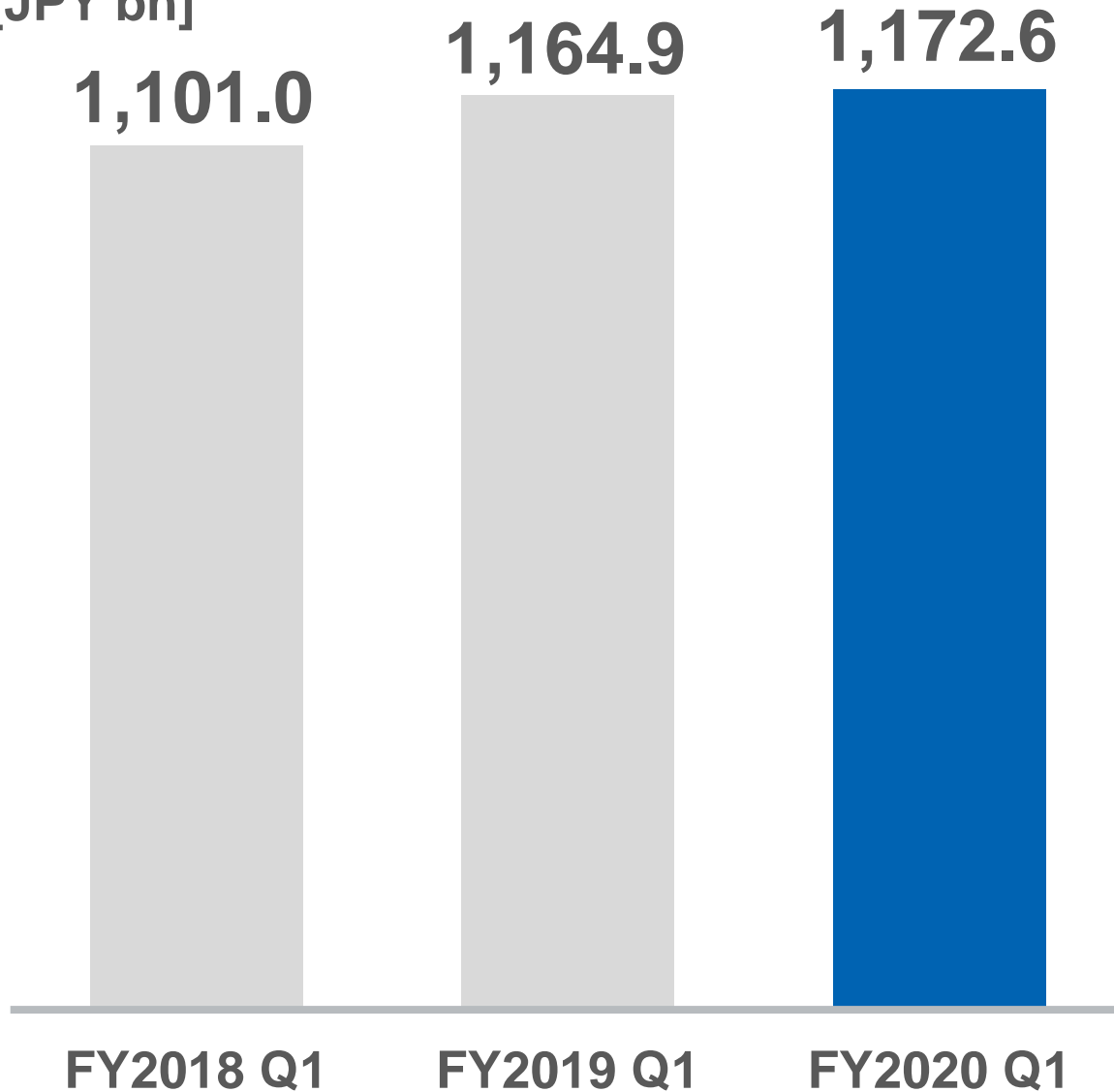
The Company encourages anyone interested in trading in its common stock to do so on the Tokyo Stock Exchange. The Company’s disclosures are not intended to facilitate trades in, and should not be relied on for decisions to trade, un-sponsored American Depositary Receipts (“ADRs”) representing the shares of its common stock. The Company has not and does not participate in, support, encourage, or otherwise consent to the creation of any un-sponsored ADR programs or the issuance or trading of any ADRs issued thereunder. The Company does not represent to any ADR holder, bank or depositary institution, nor should any such person or entity form the belief, that (i) the Company has any reporting obligations under the U.S. Securities Exchange Act of 1934 (the “Exchange Act”) or (ii) the Company’s website will contain on an ongoing basis all information necessary for the Company to maintain an exemption from registering its common stock under the Exchange Act pursuant to Rule 12g3-2(b) thereunder. To the maximum extent permitted by applicable law, the Company disclaims any responsibility or liability to ADR holders, banks, depositary institutions, or any other entities or individuals in connection with any un-sponsored ADRs representing its common stock.

# Consolidated Results

## Q1 Fiscal Year 2020

# Revenue

[JPY bn]



Even with COVID-19 impact  
**Increased  
total revenue**

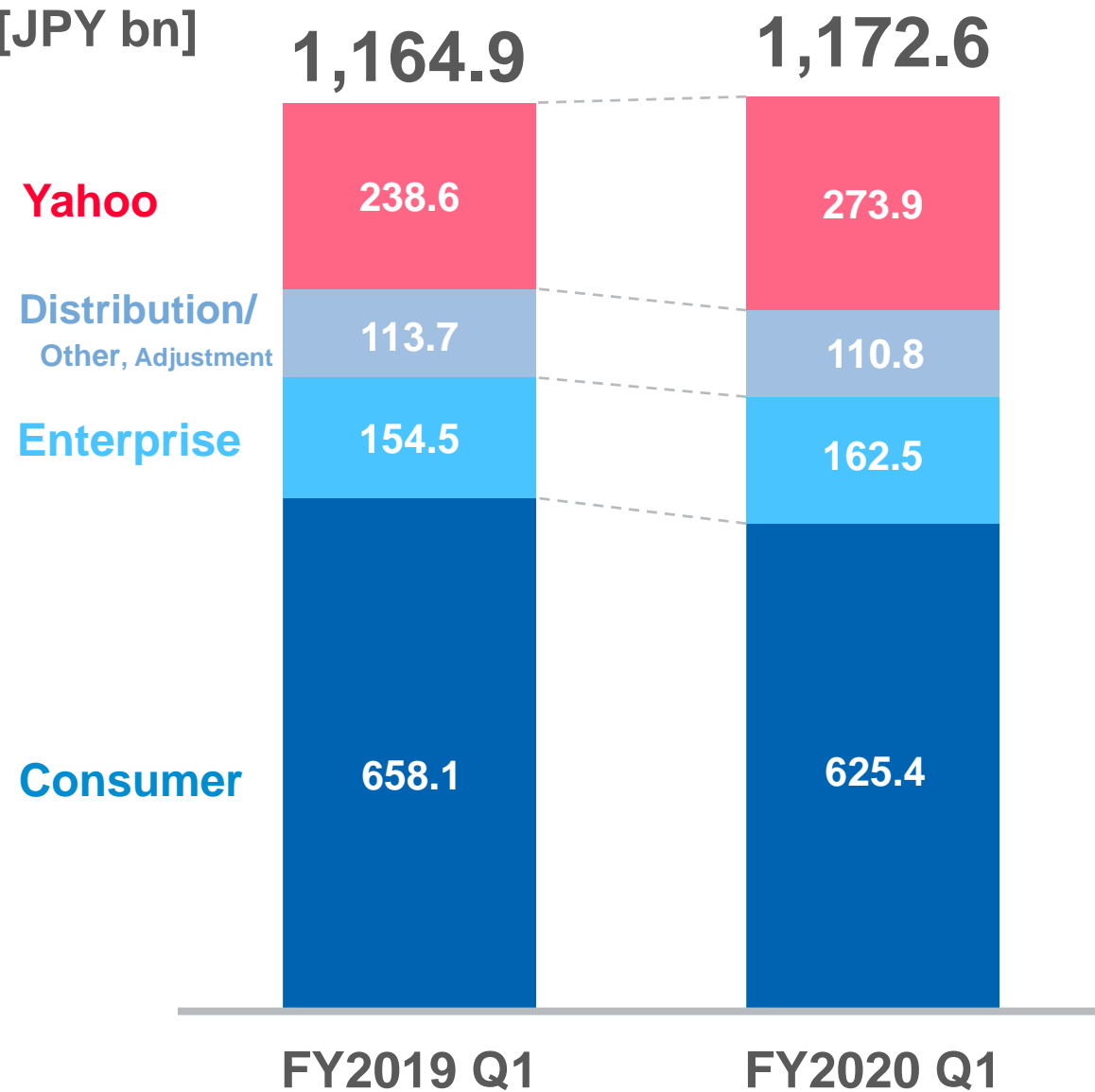
(Notes)

Actuals for FY2018 have been adjusted retrospectively to have consolidated Z Holdings Corporation (formerly Yahoo Japan Corporation, hereinafter “ZHD”) from April 1, 2018

“Yahoo” is used as the segment name when referring to ZHD business

# Revenue by Segment

[JPY bn]



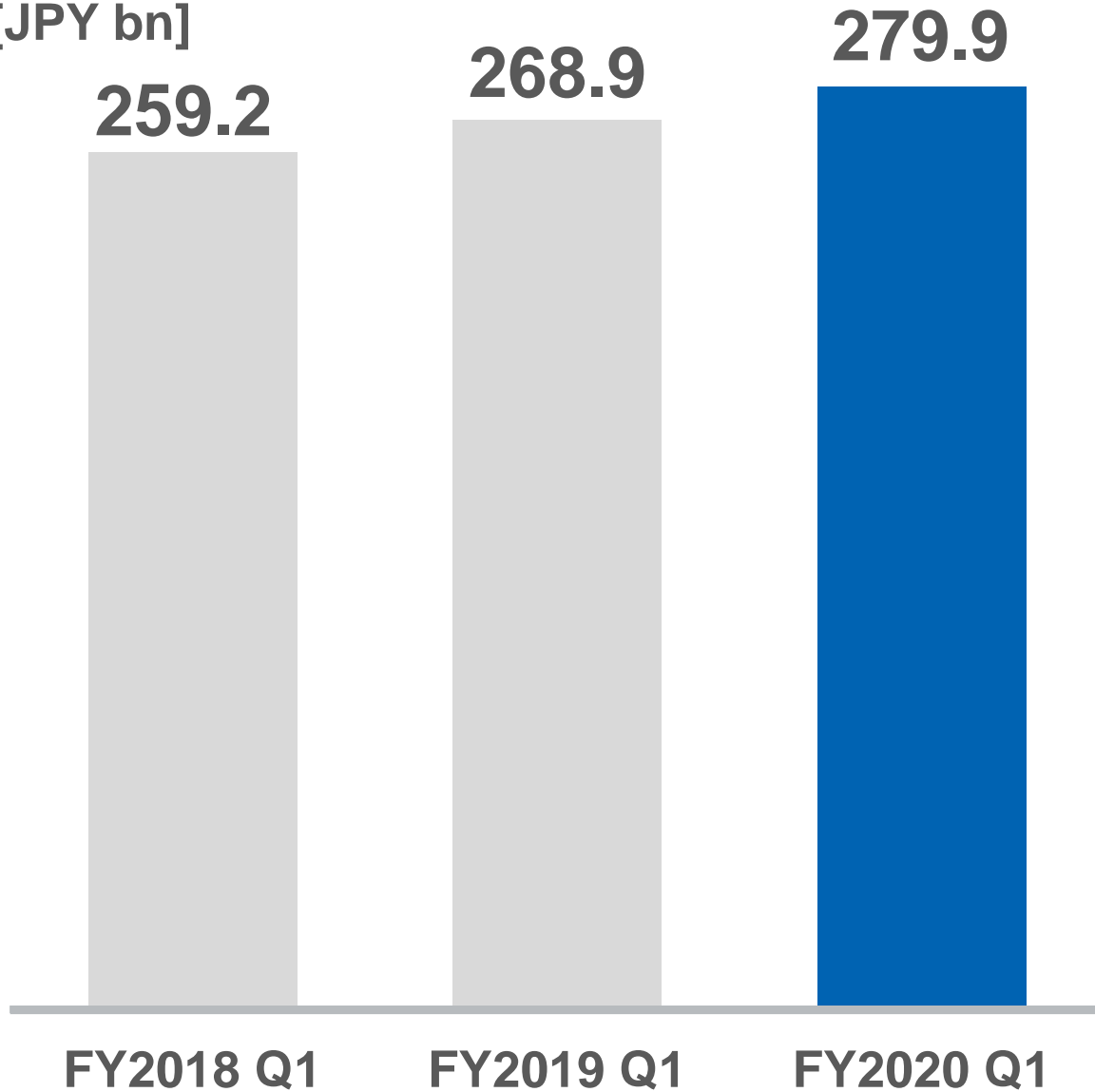
Despite decline of consumer handset sales, etc.

**Increased revenue in Yahoo and Enterprise**

# Operating Income

SoftBank

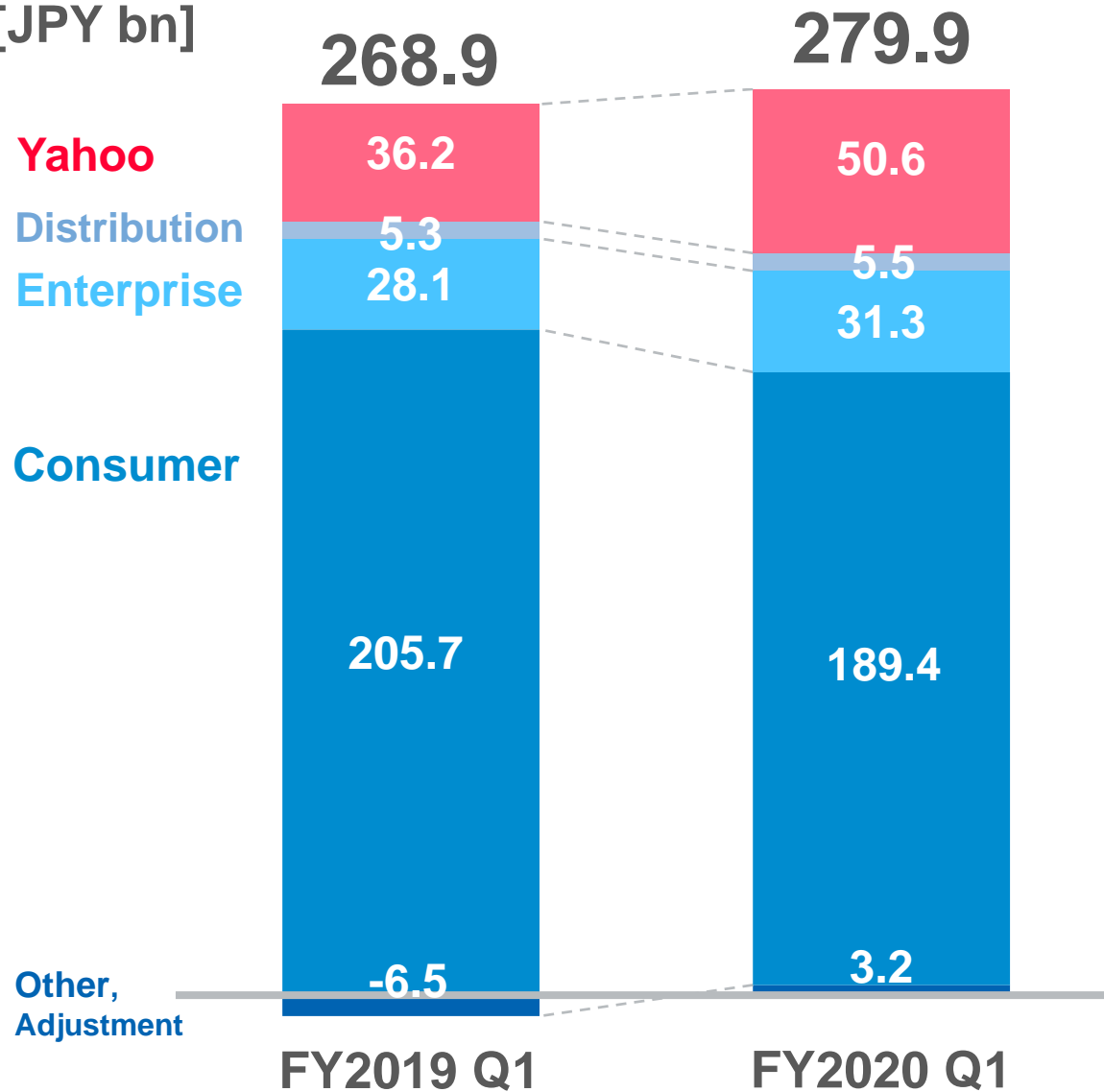
[JPY bn]



Up 4%

# Operating Income by Segment

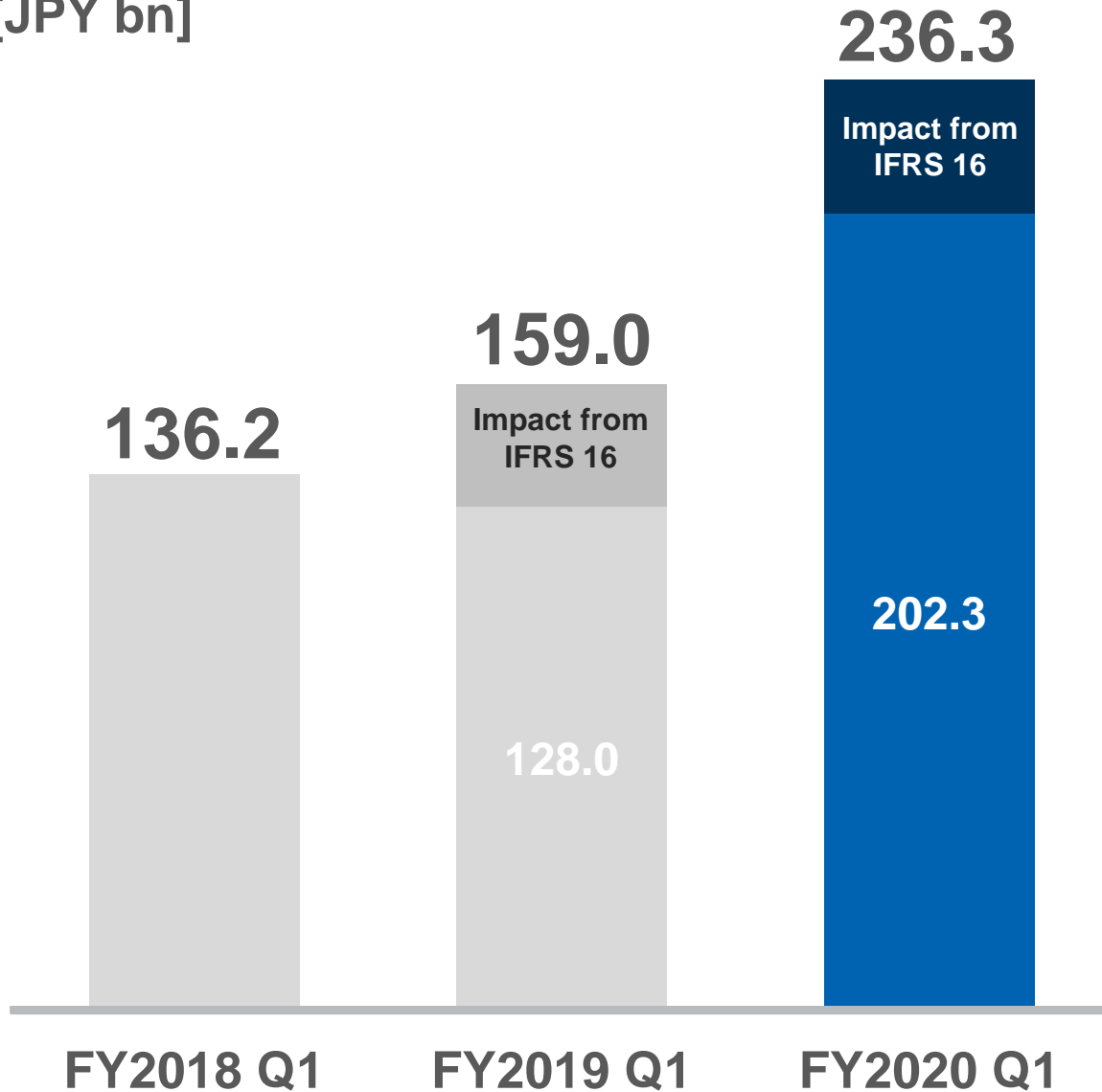
[JPY bn]



**Yahoo and Enterprise contributed to profit increase**

# Adjusted Free Cash Flow (excluding Z Holdings)

[JPY bn]



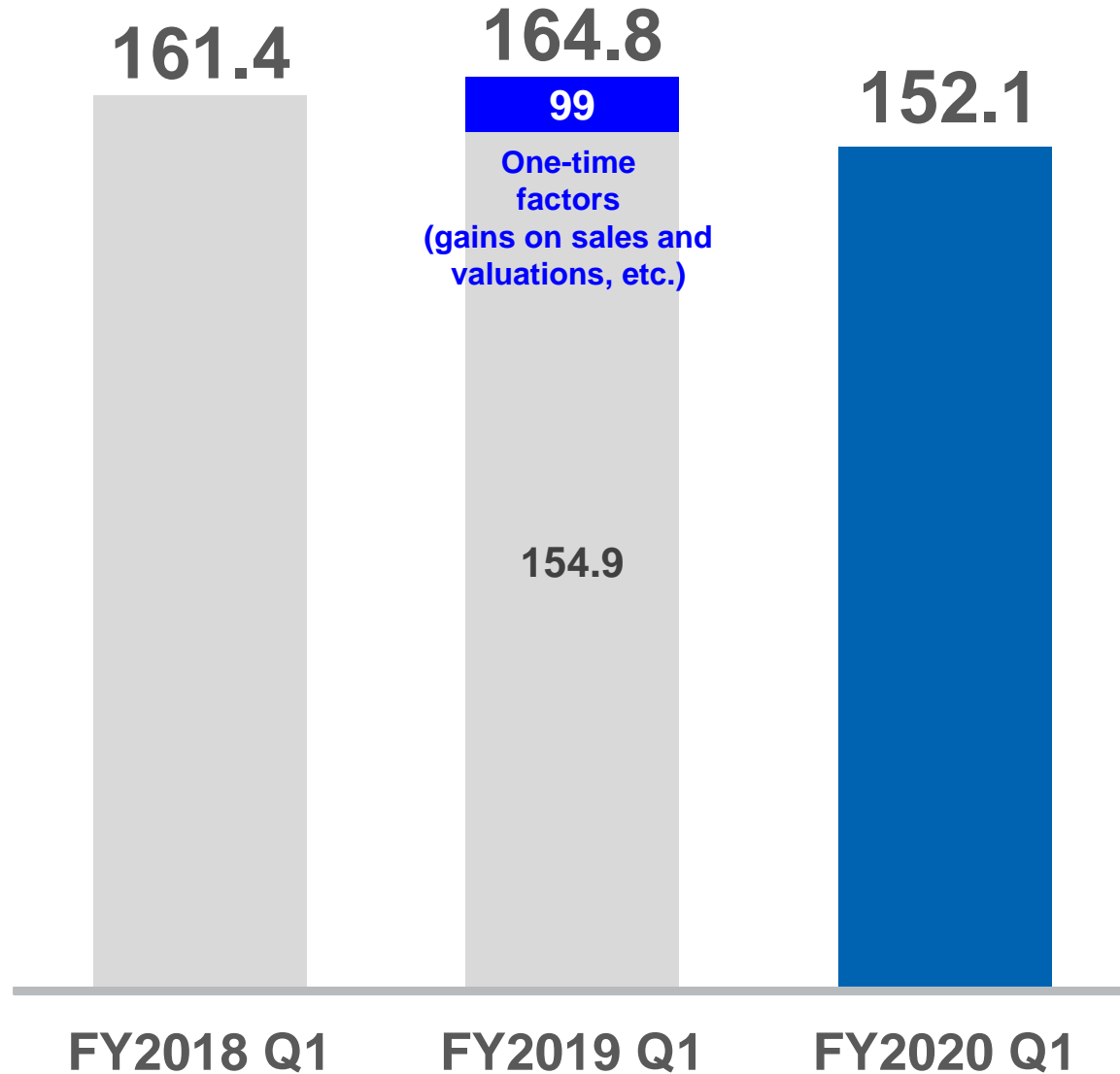
Up 49%

(Note) Adjusted free cash flow = free cash flow ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables – repayments thereof) , excluding ZHD



# Net Income

[JPY bn]



Excluding one-time factors  
of last fiscal year

**Flat**

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

# Progress Toward Forecasts

[JPY]

## Revenue

Full year  
forecast

4.9 tn

## Operating income

920.0 bn

## Net income

485.0 bn

Progress

24%

30%

31%

Q1

1.2 tn

279.9 bn

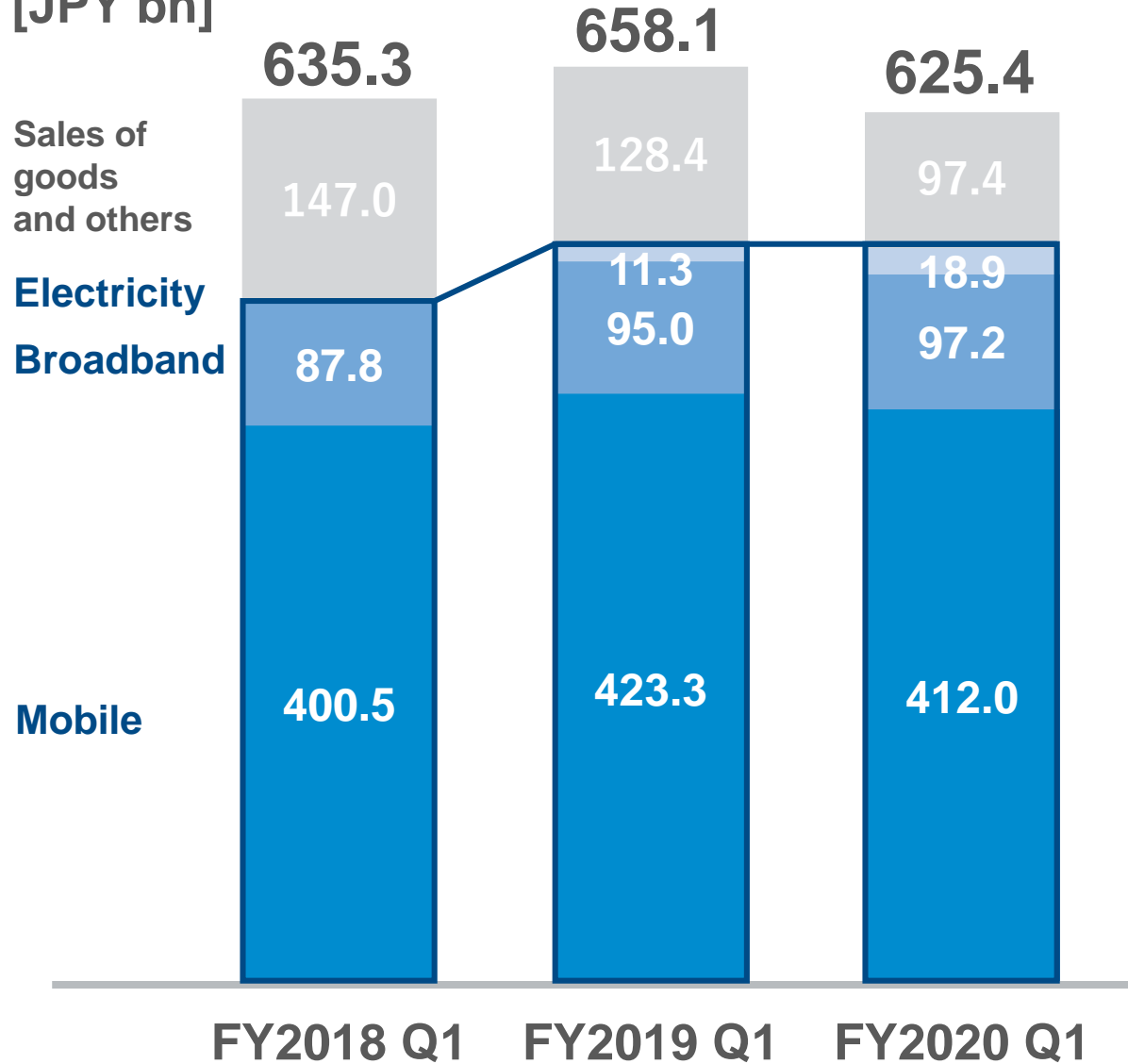
152.1 bn

**Good progress**  
towards increased  
revenue & profit

# Business by Segment

# Consumer: Revenue

[JPY bn]



**Despite decline of handset sales  
Service revenues  
remained flat**

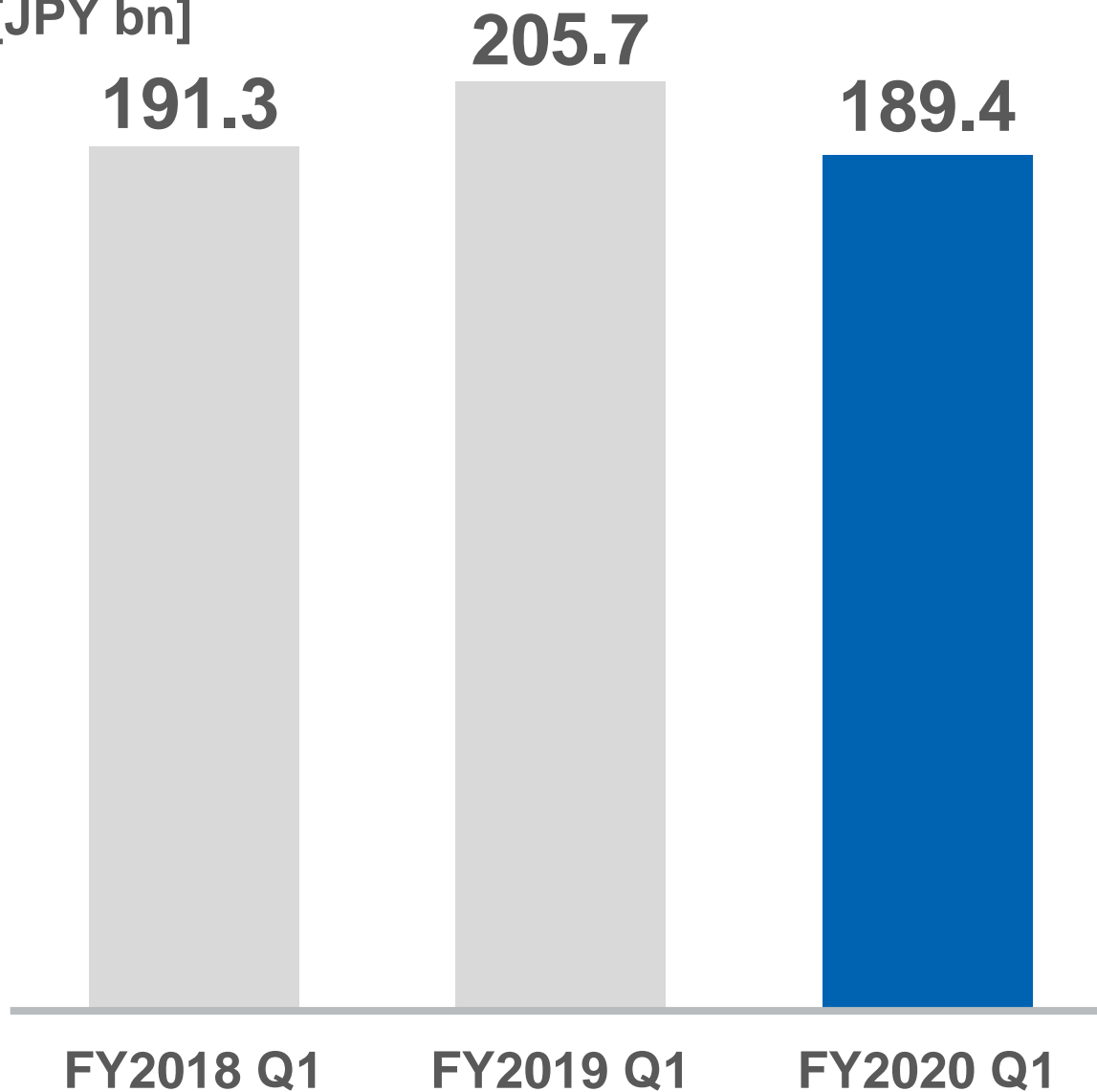
(Notes)

Service revenues: sum of Mobile revenue, Broadband revenue and Electricity revenue

From FY2020, Electricity, previously included in Revenues from sales of goods and others is presented separately and the breakdown of revenue for FY2019 has been restated accordingly

# Consumer: Operating Income

[JPY bn]



Full year profit expected to increase

Declined in Q1 due to one-time factors

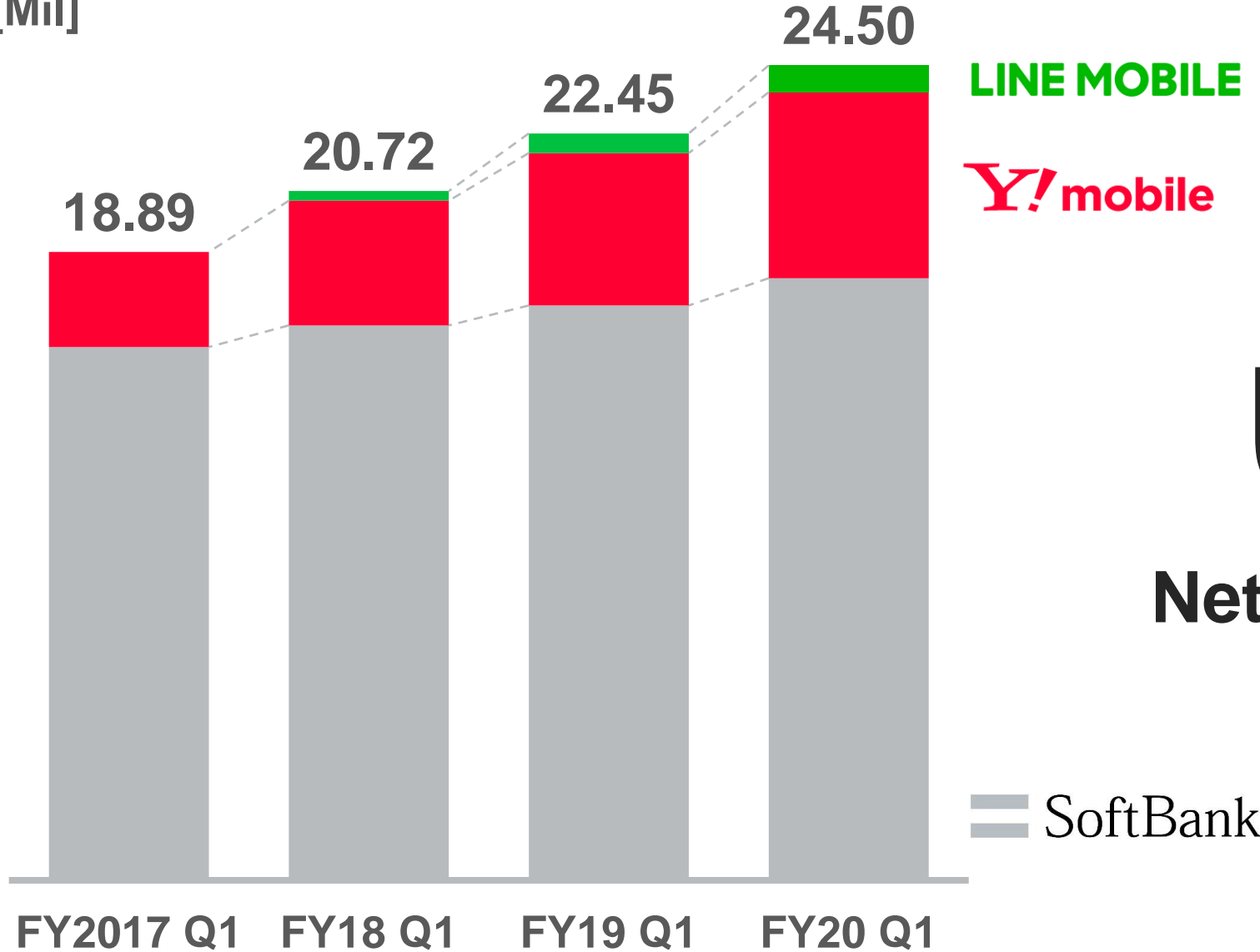
## Good business momentum

kept with continued growth in smartphone and broadband subs

YoY change		-16.4
Handset related	Recording of reserve for handset related expenses Decrease in handset sales, etc.	-12.0
First-year/Half-year discounts	Accounting change, etc.	-10.0
Other change than above		+5.6

# Smartphone Cumulative Subscribers

[Mil]



2.04 mil net adds

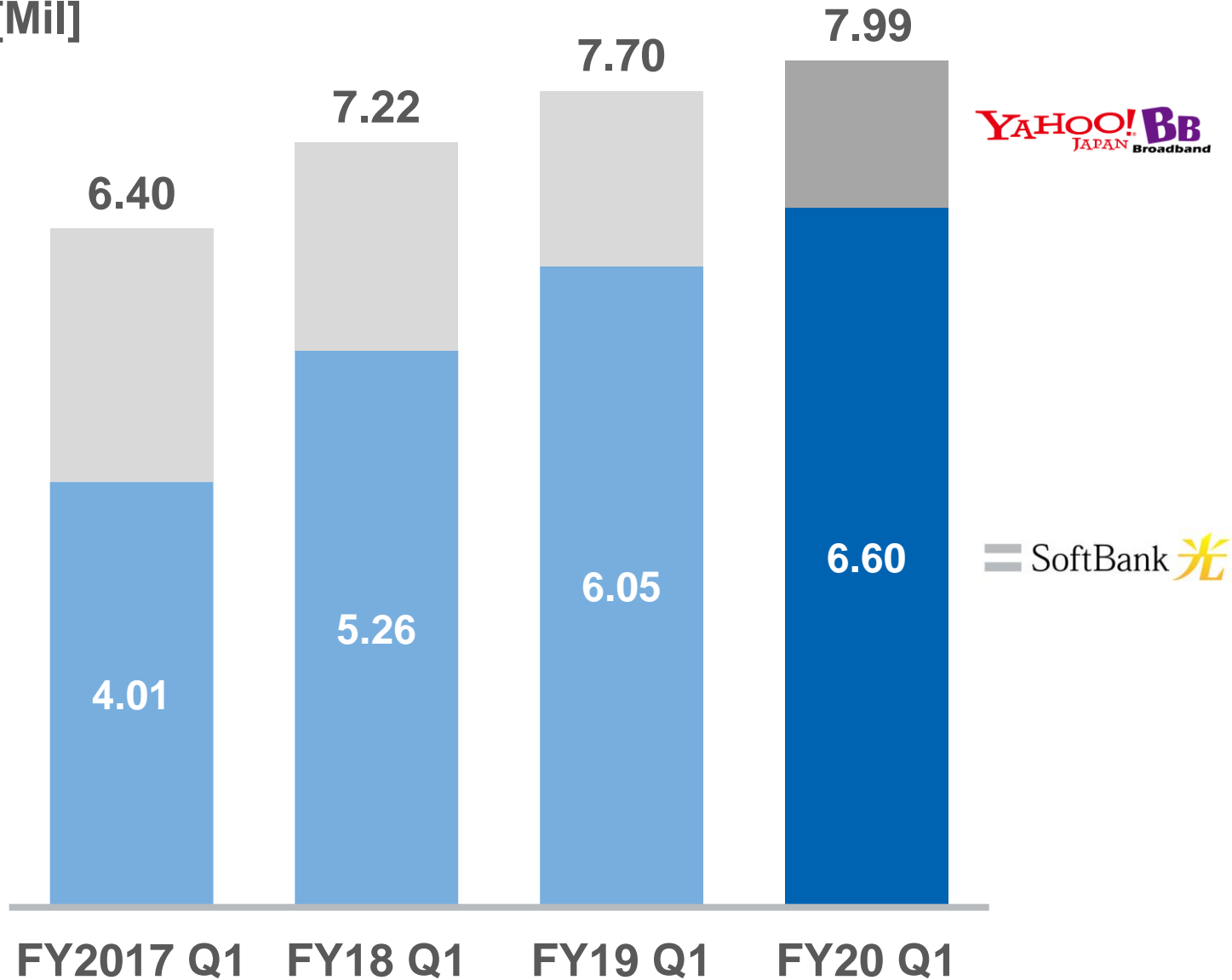
Up 9%

Net adds for all brands

SoftBank

# Broadband Cumulative Subscribers

[Mil]



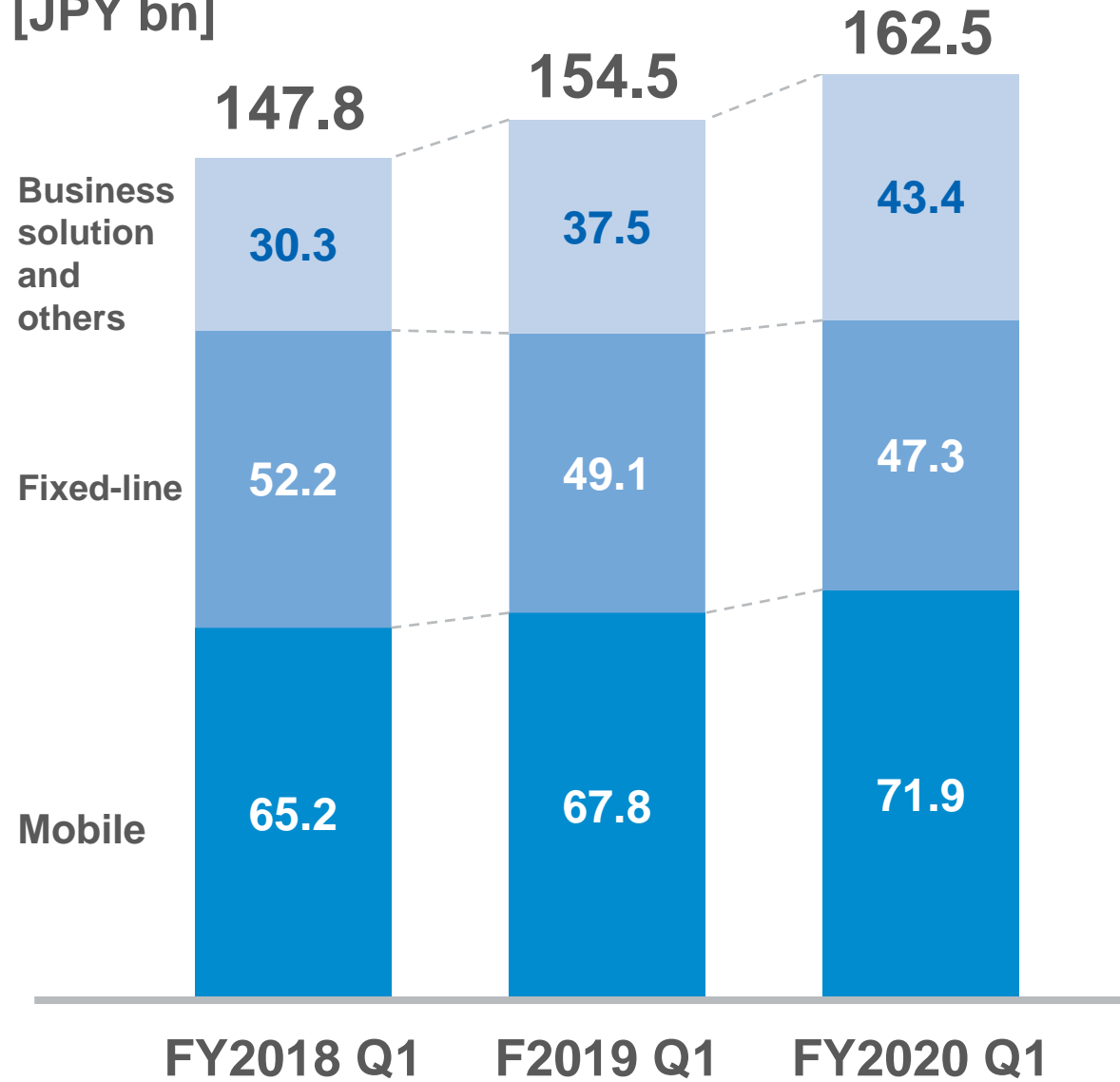
SoftBank Hikari

Up 9%

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

# Enterprise: Revenue

[JPY bn]



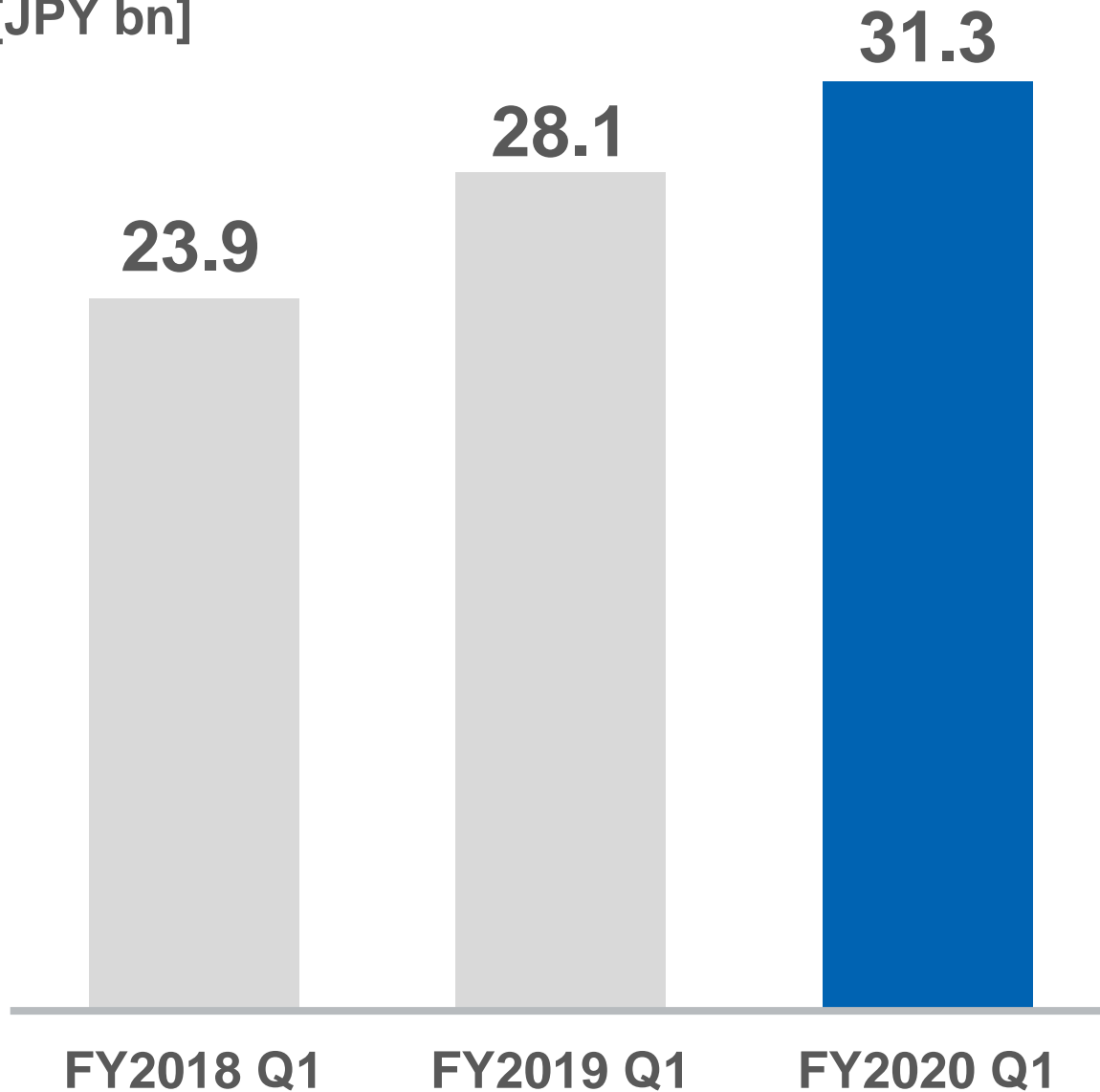
Up 5%



# Enterprise: Operating Income

SoftBank

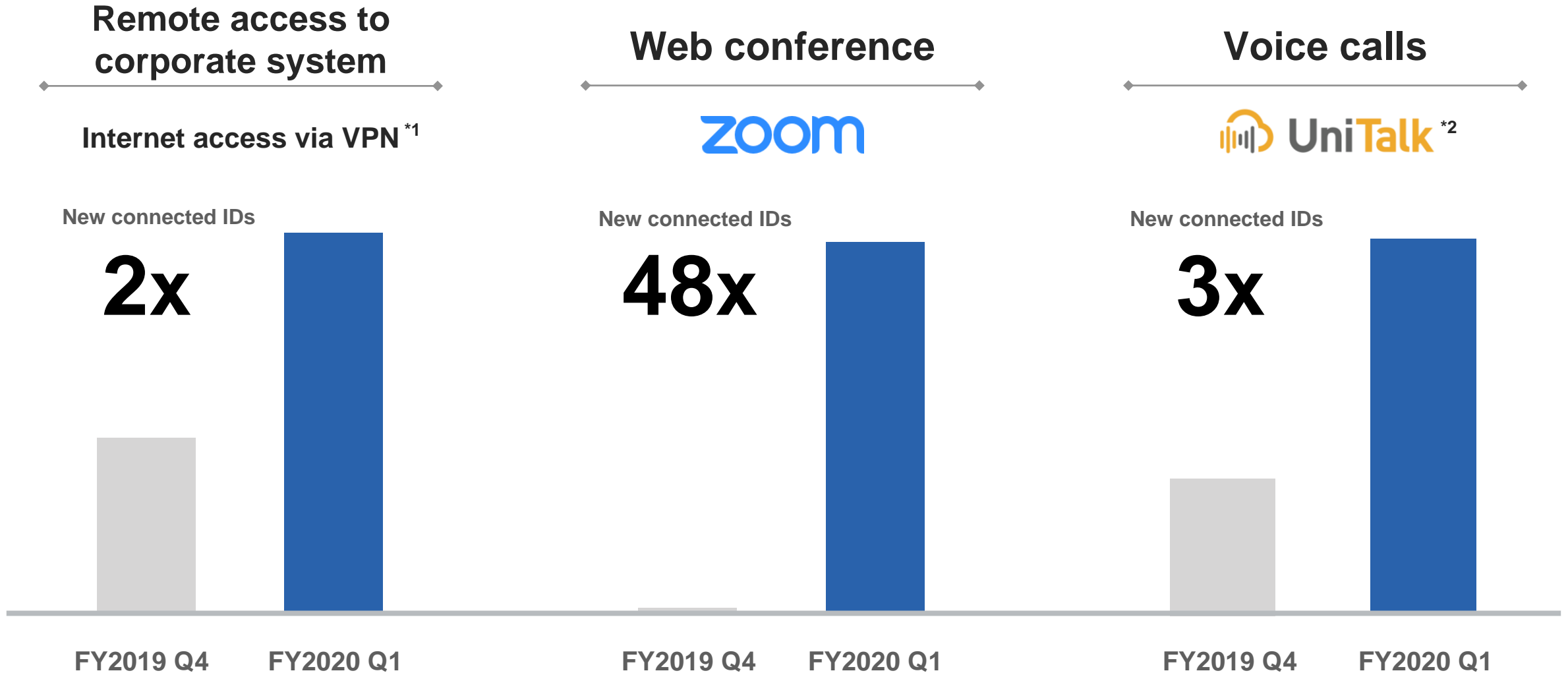
[JPY bn]



**Demand for telework  
drove growth**

**Up 11%**

# Enterprise: Surge in Telework Demand

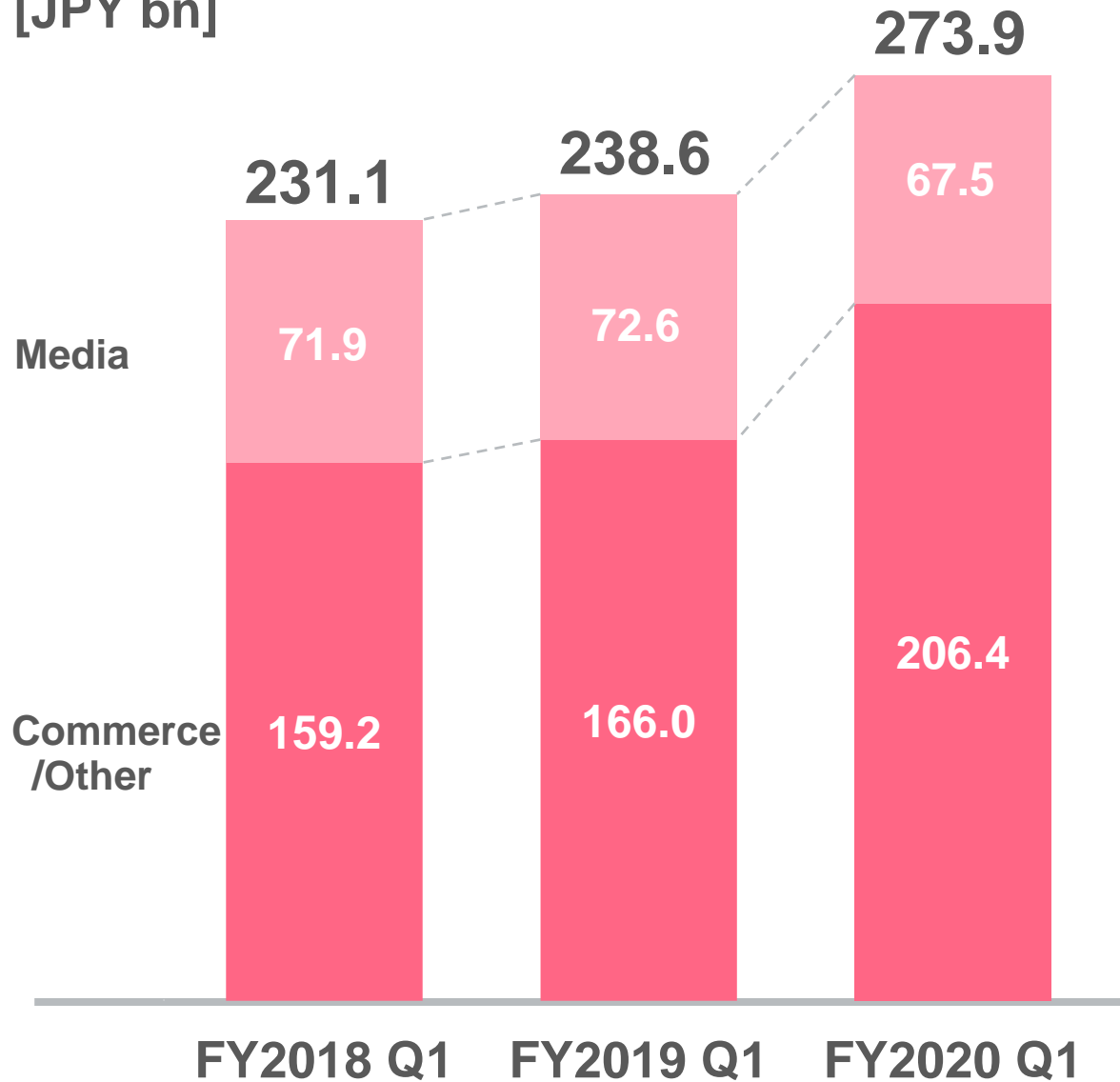


\*1 A service that enables access to corporate system with security from PCs and smart devices remotely

\*2 An enhanced voice communication service of Microsoft Teams

# Yahoo: Revenue

[JPY bn]

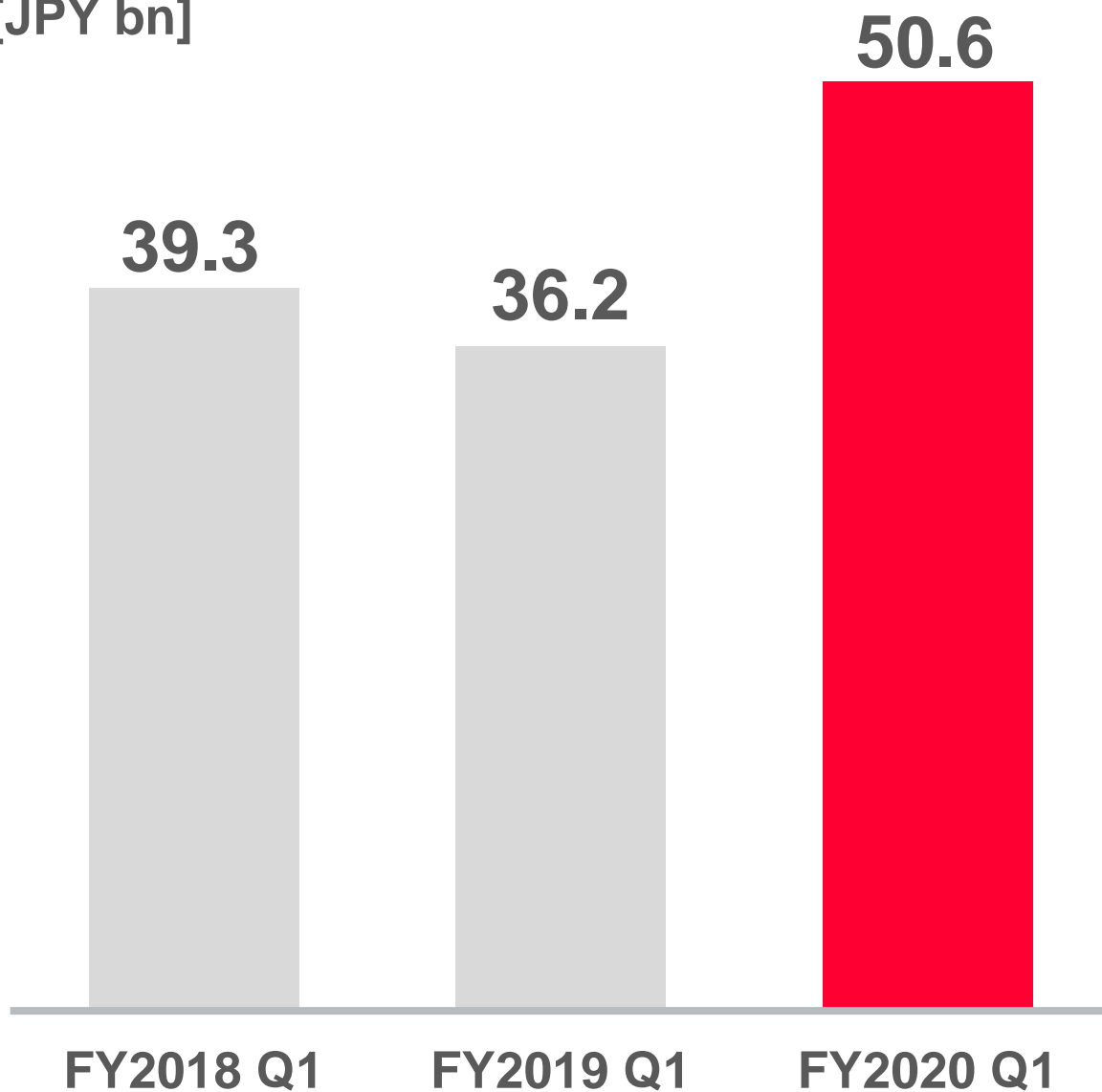


Up 15%

(Note) Revenue for Commerce and Media is restated for FY2019 to reflect the transfer of certain services and subsidiaries from Commerce to Media in April 2020

# Yahoo: Operating Income

[JPY bn]



## Growth in Commerce

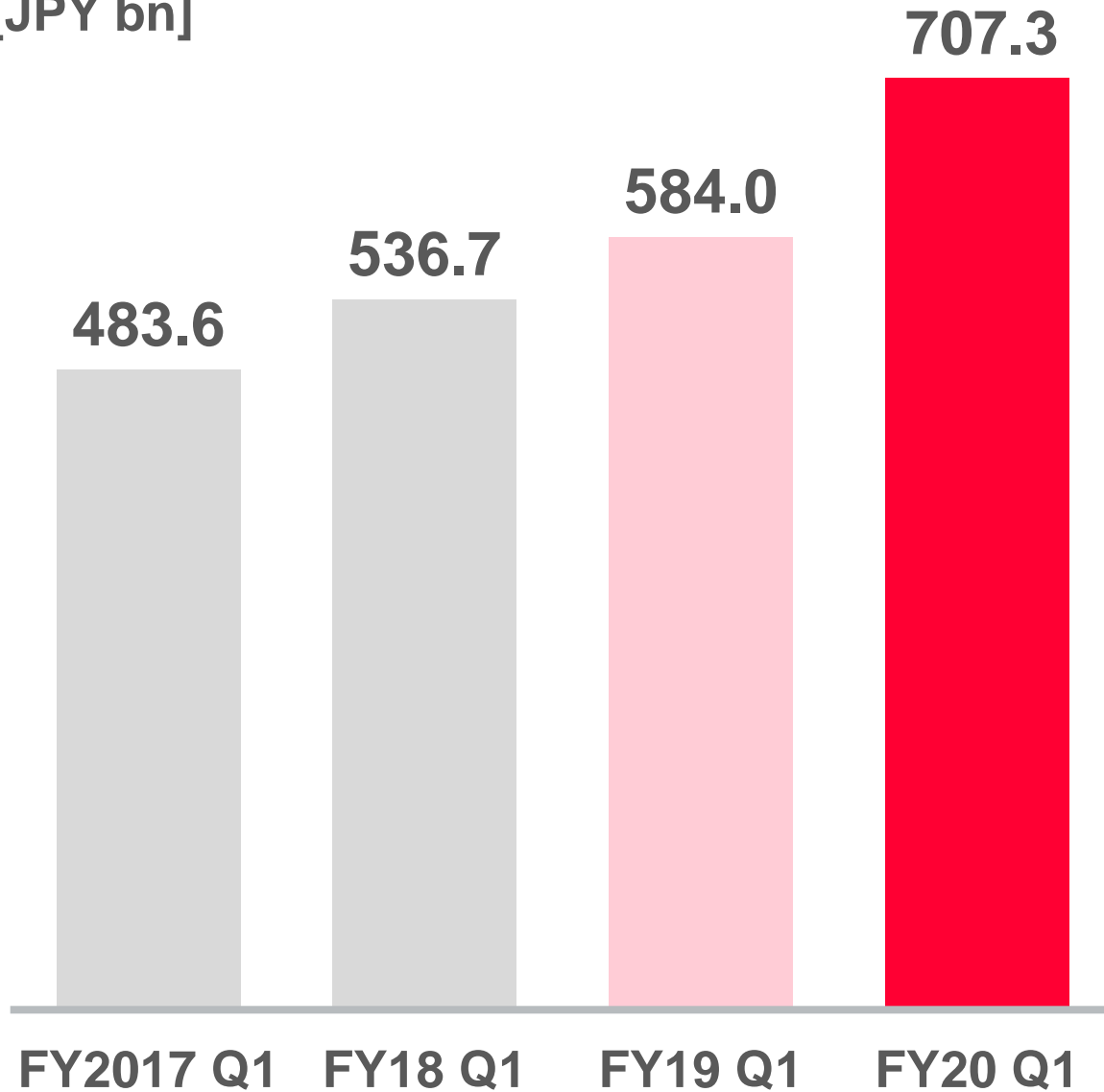
**Up 40%**

<YoY>

ZOZO consolidation	+7.0
EC usage increase	+7.0
Cost reduction effect	+3.0
Ad placement decline	-3.0

# Yahoo: E-Commerce Transaction Value

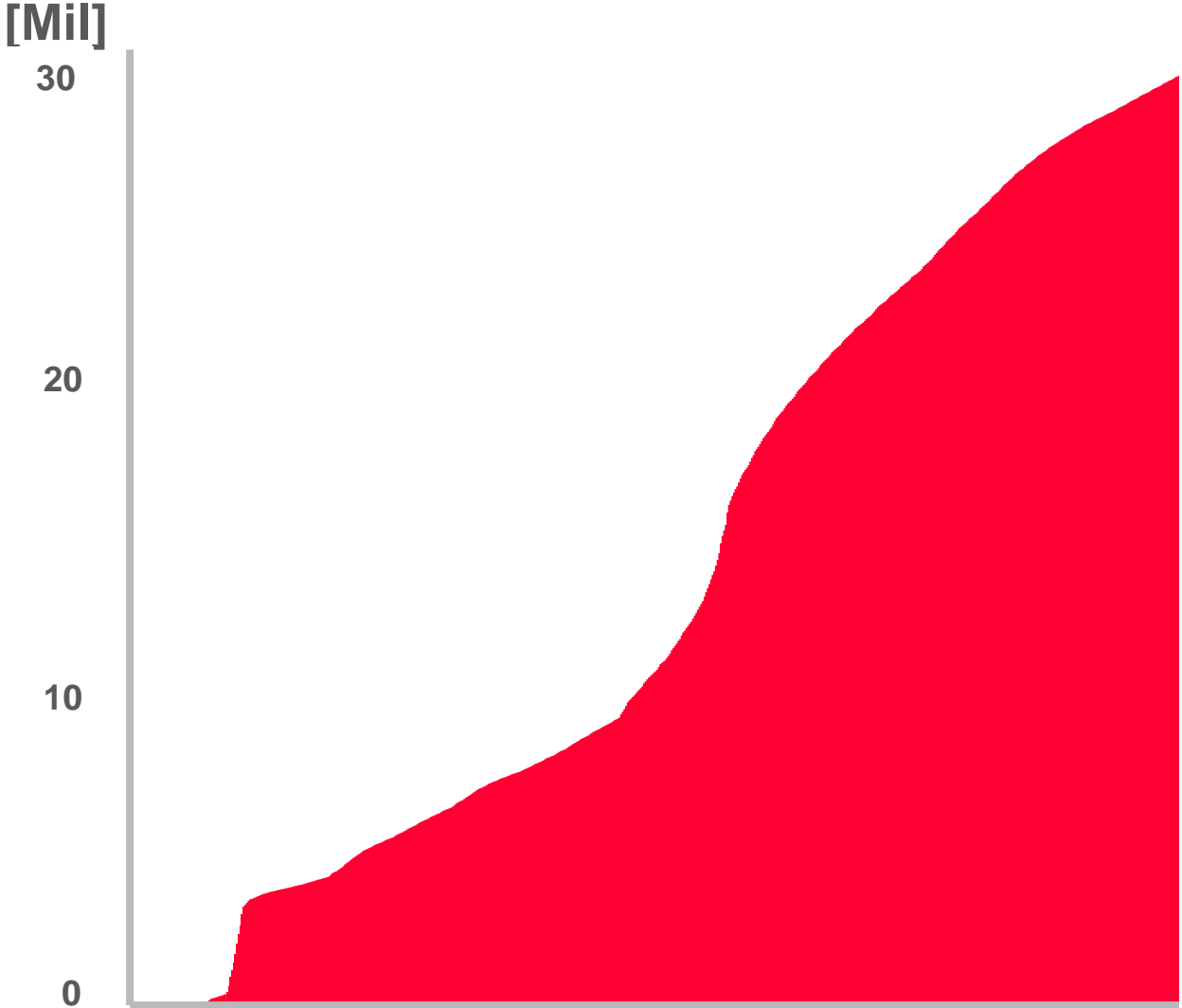
[JPY bn]



**Up 21%**

**Due to ZOZO consolidation  
PayPay Mall, etc.**

# PayPay: Cumulative Registered Users



Registered users exceeded

**30 mil**

As of June 2020

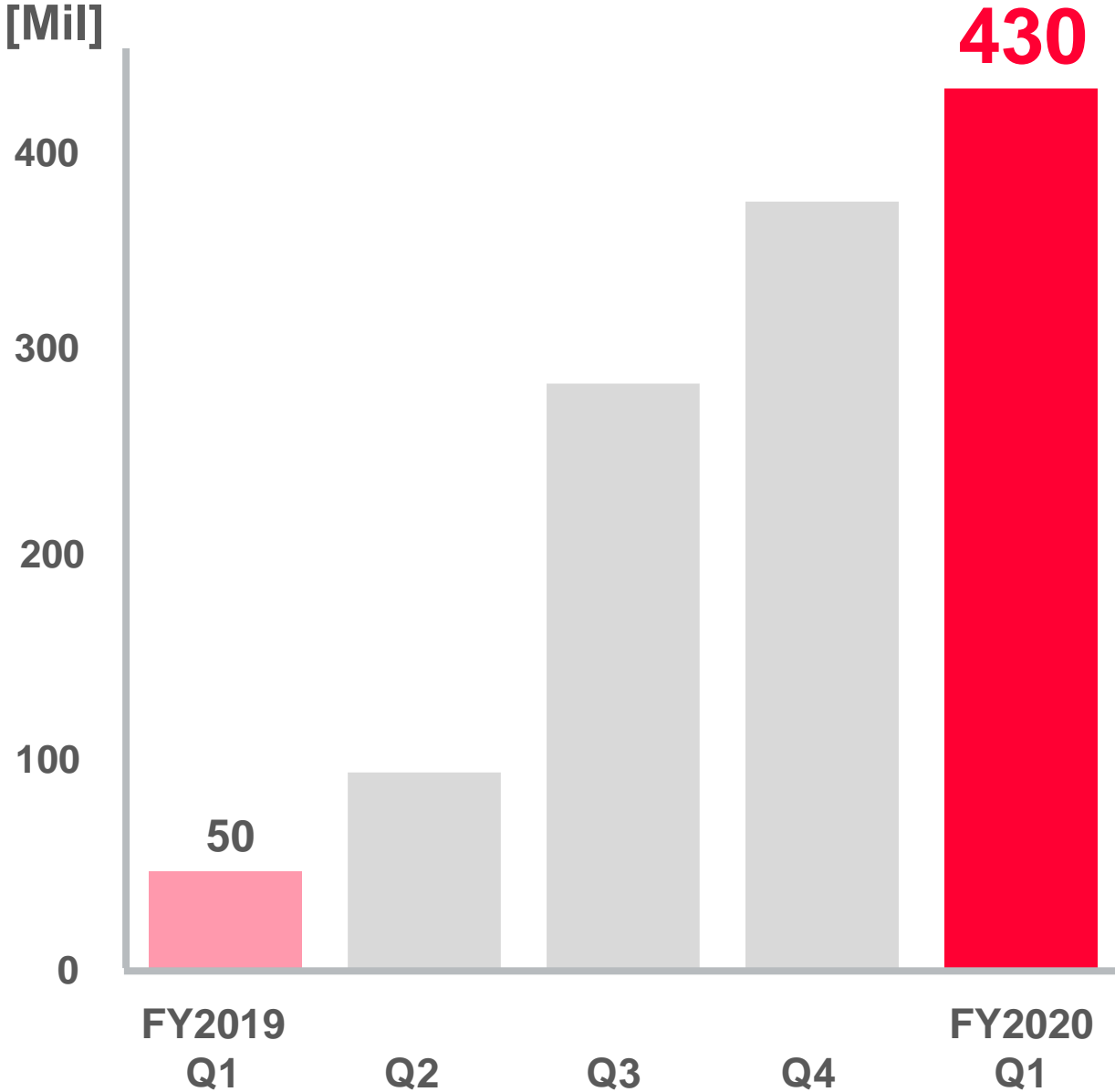
Oct 2018

Jun 2020

(Source) Data by PayPay Corporation, collected from October 5, 2018 to June 30, 2020

(Note) Number of registered users: number of accounts registered

# PayPay: Number of Payments



Number of payments increased by

**9x**

in one year

(Source) Data by PayPay Corporation  
(Note) Data is as of August 4, 2020

# Consolidated Results

[JPY bn]

	FY2019 Q1	FY2020 Q1	YoY	YoY %
<b>Revenue</b>	1,164.9	1,172.6	+7.8	+1%
<b>Operating Income</b>	268.9	279.9	+11.1	+4%
<b>Net Income</b>	164.8	152.1	-12.7	-8%
<b>Adjusted Free Cash Flow</b>	159.0	236.3	+77.3	+49%

(Notes)

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

Adjusted free cash flow = free cash flow ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables – repayments thereof) , excluding ZHD



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