

# **Earnings Results for the Three Months Ended June 30, 2019**

**SoftBank Corp.**

**August 5, 2019**

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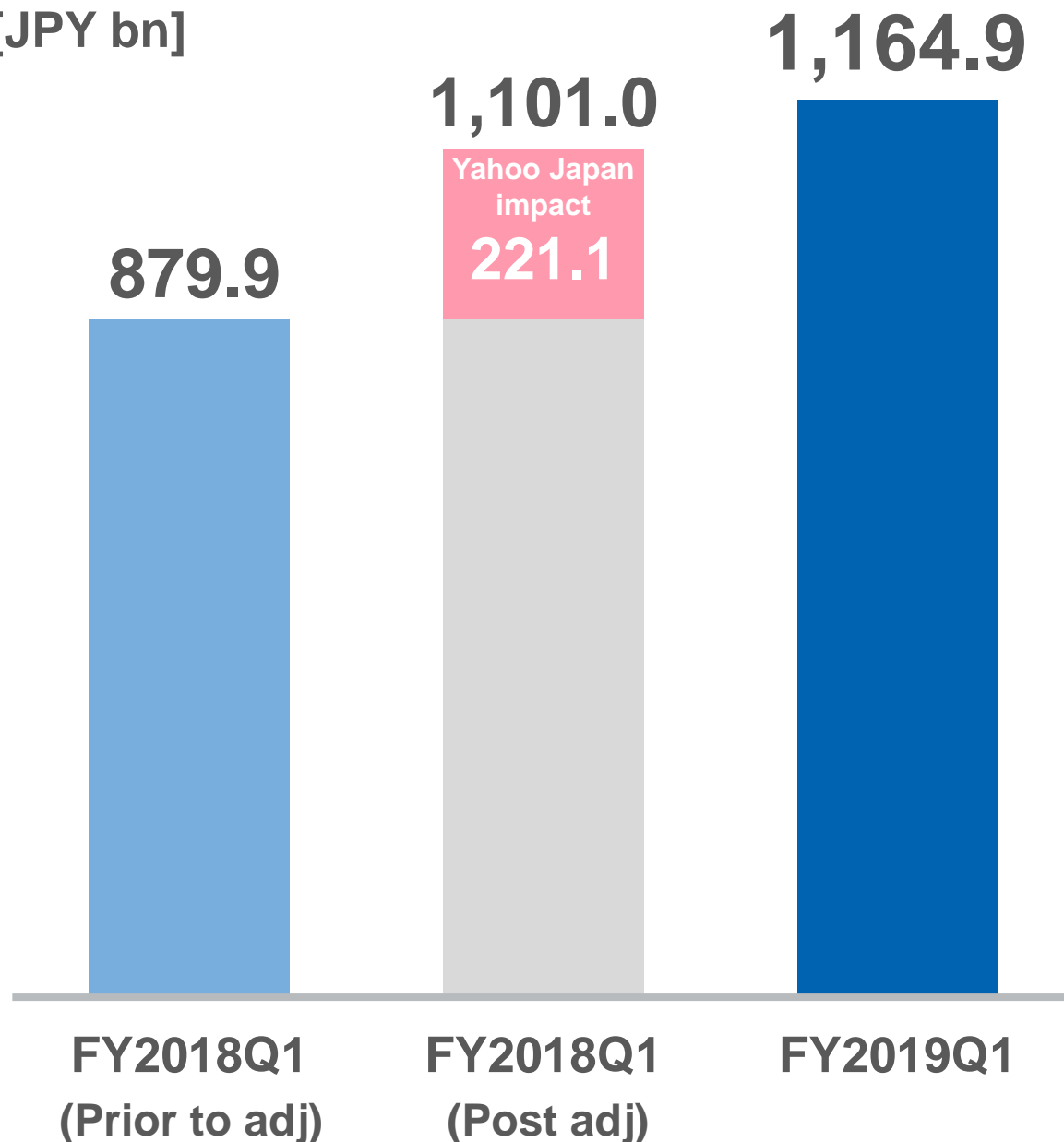
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# Revenue

[JPY bn]

SoftBank



# Up 32%

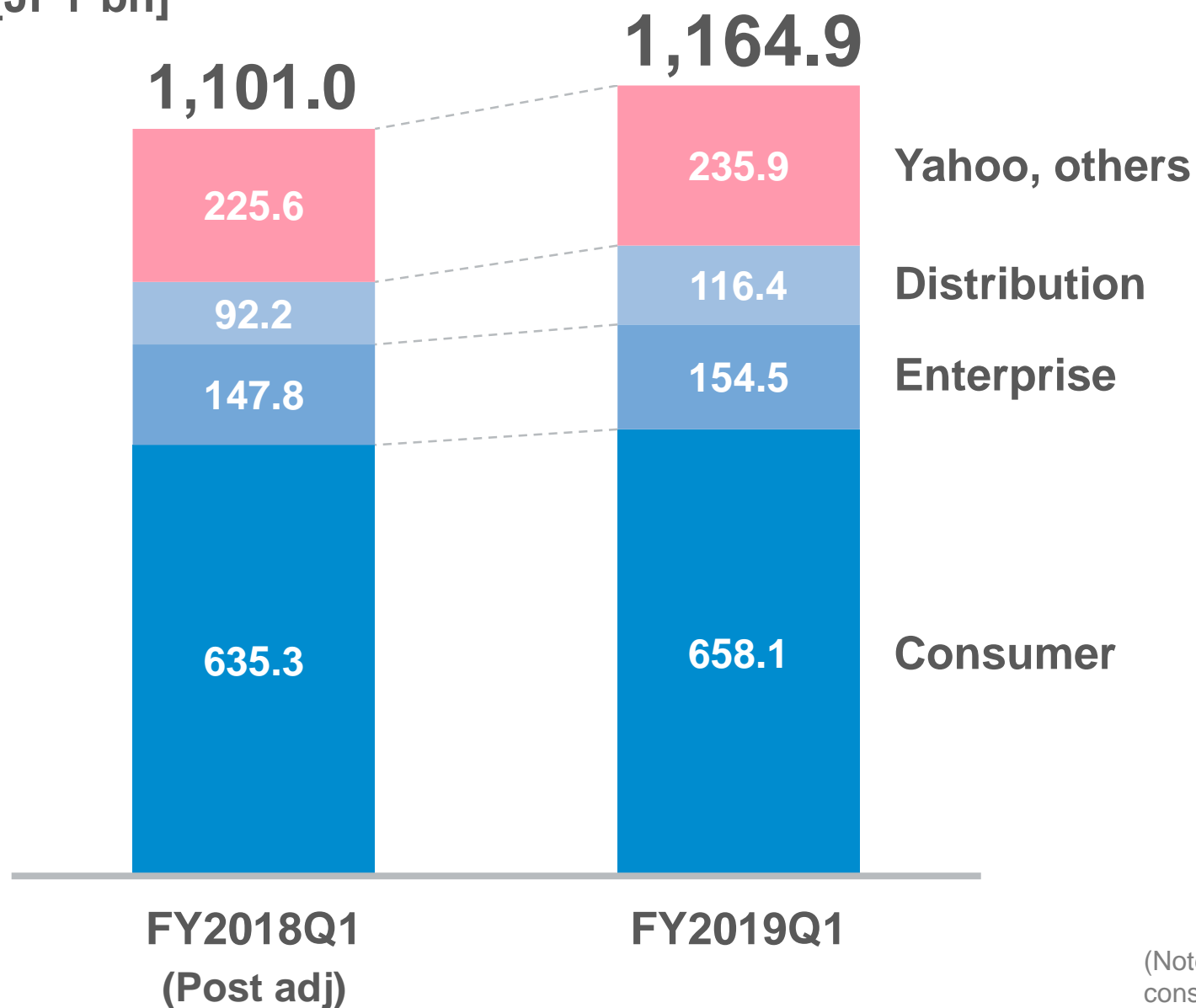
due to consolidation  
of Yahoo Japan

(Post Yahoo adj Up 6%)

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

# 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



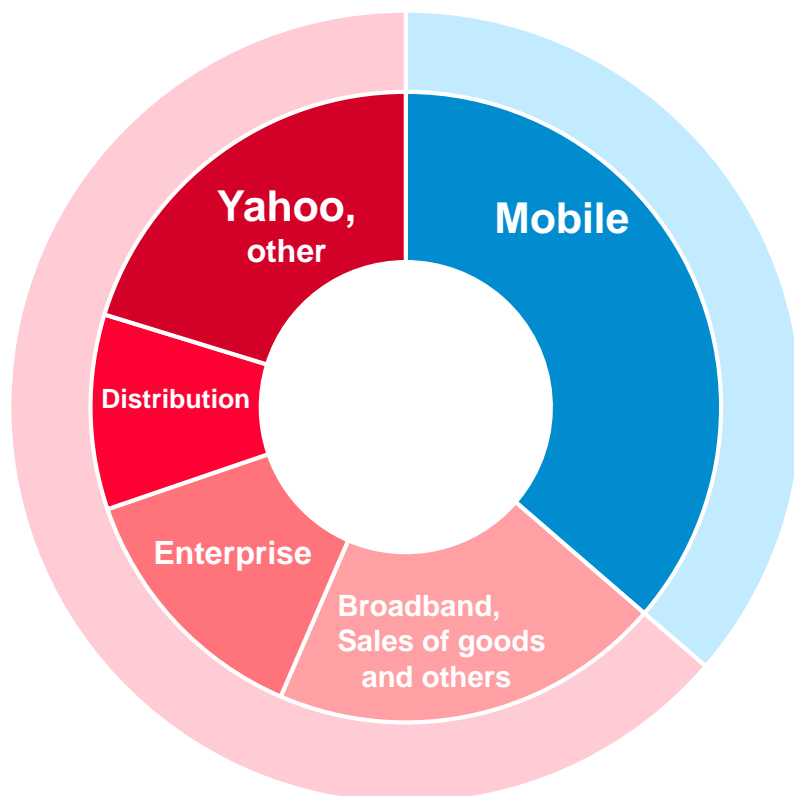
# Revenue Composition

64%

36%

Others  
(non Consumer Mobile)

Consumer  
Mobile



By consolidation of  
Yahoo Japan

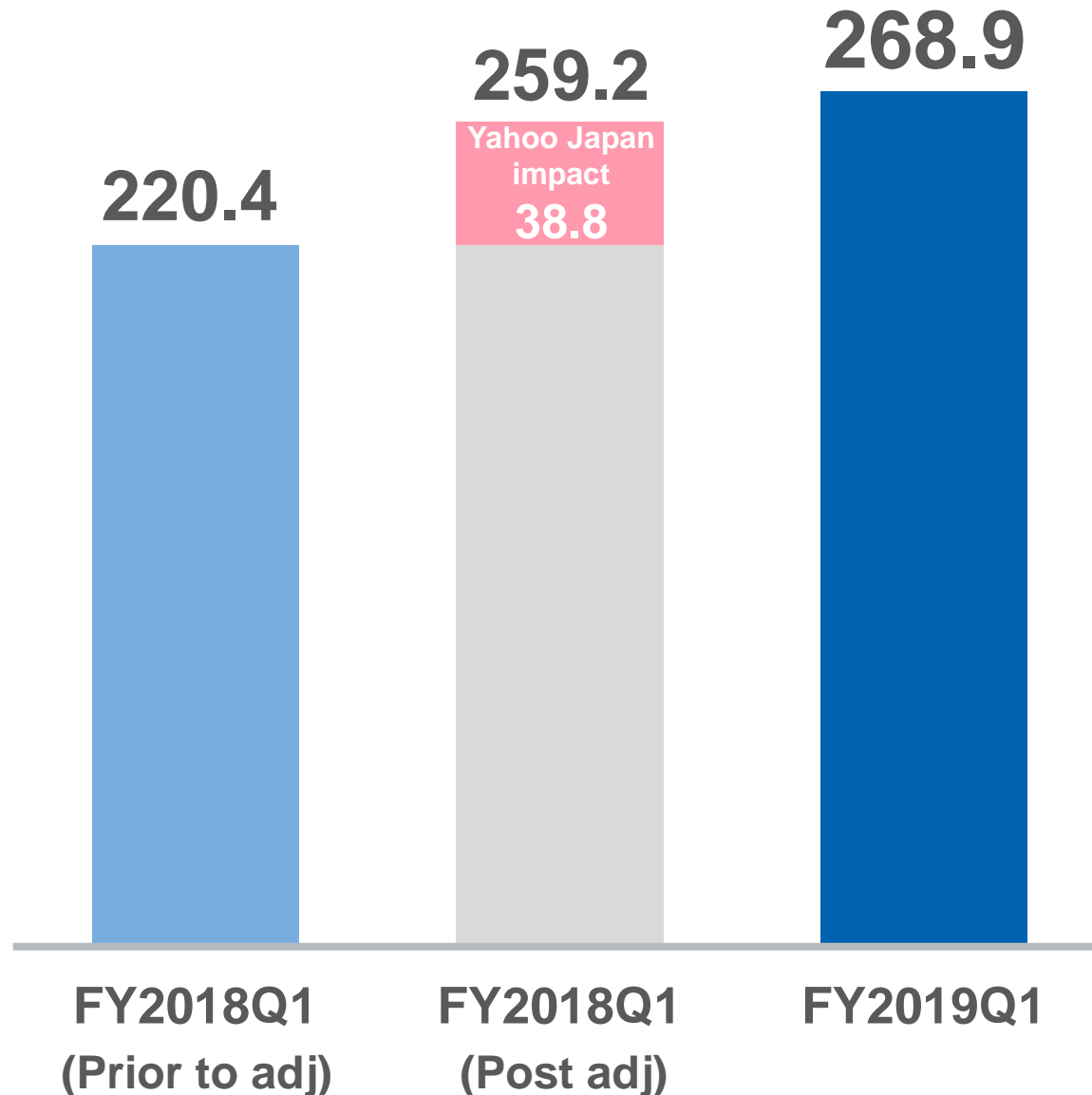
## Diversify sources of revenue



(Note) Revenue figures in graph are as of Q1 FY2019

# Operating Income

[JPY bn]



**Up 22%**

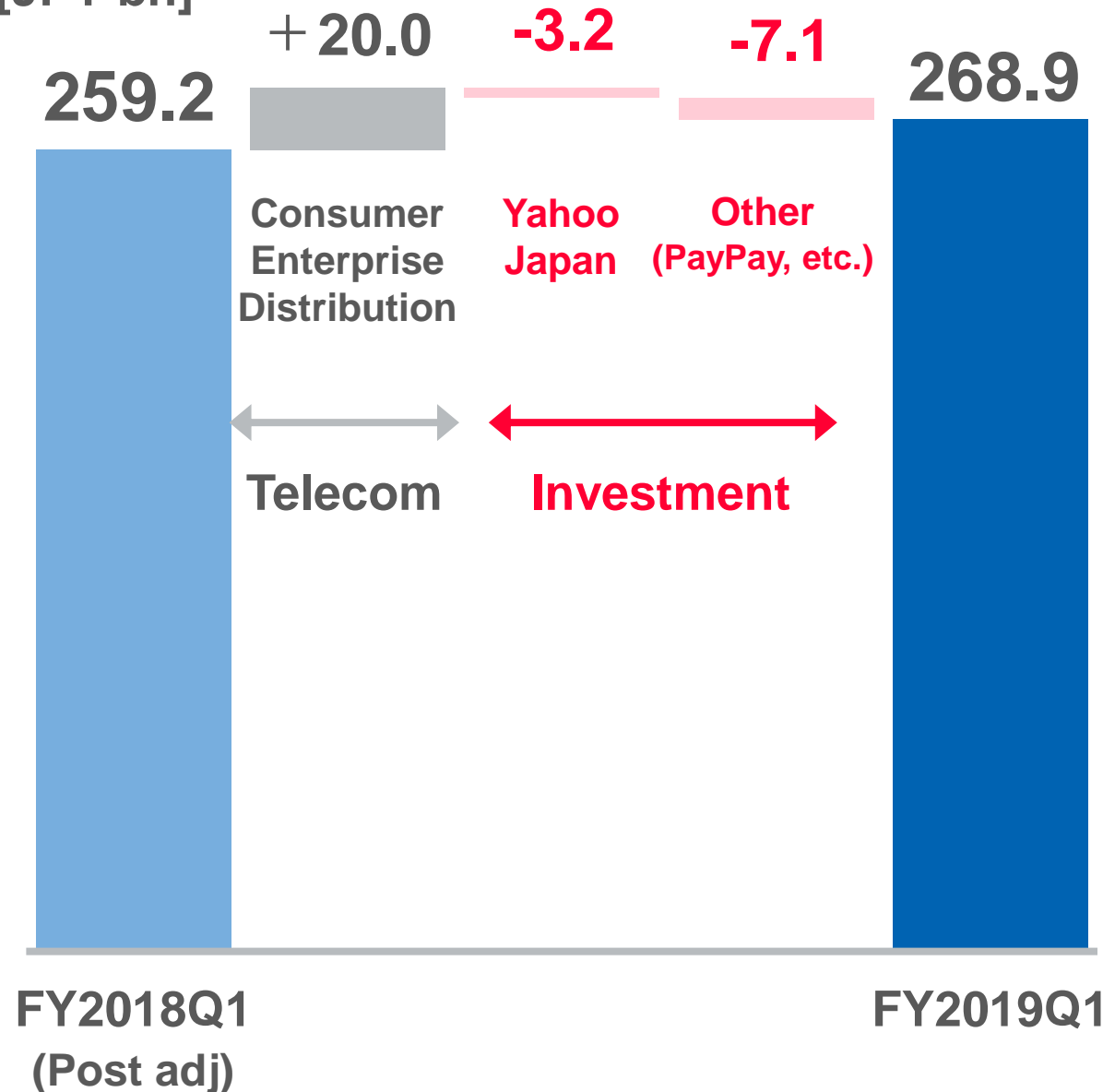
**due to consolidation  
of Yahoo Japan**

**(Post Yahoo adj Up 4%)**

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

# Operating Income

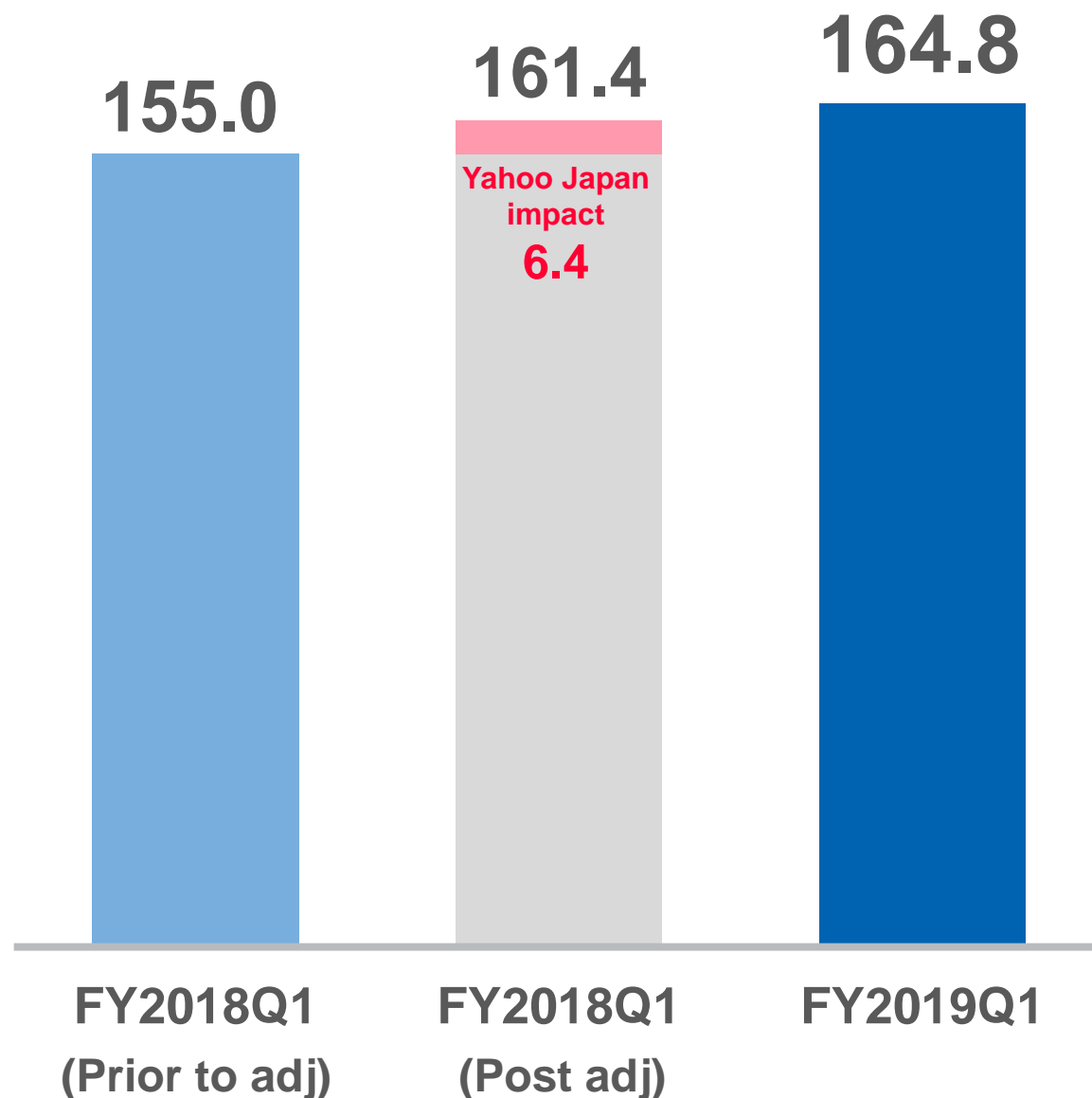
[JPY bn]



**Steady growth  
in telecom business  
&  
Investment  
for new businesses**

# Net Income

[JPY bn]



# Up 6%

due to consolidation  
of Yahoo Japan

(Post Yahoo adj Up 2%)

(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 Q1 (Prior to adj)	FY2018 Q1 (Post adj)	FY2019 Q1	YoY (Post adj)	YoY % (Post adj)
Revenue	879.9	1,101.0	1,164.9	+63.9	+6%
Operating Income	220.4	259.2	268.9	+9.7	+4%
Net Income	155.0	161.4	164.8	+3.4	+2%

(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

# FY2019 Progress Toward Forecast

[JPY bn]

Operating Income

30%

Net Income

34%

Full Year  
Forecast

890.0

480.0

Q1

268.9

164.8

Operating Income

Net Income

**Profit**  
**Good progress to**  
**annual forecast**

(Notes)

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

Full year forecast was announced May 8, 2019

# Credit Ratings

**R&I**

Rating and Investment Information, Inc.

**JCR**

Japan Credit Rating Agency, Ltd.

 SoftBank

**A+**

First-time rated

**AA —**

First-time rated

**YAHOO!**  
JAPAN

**A+**

First-time rated

**AA —**

Upgraded from A

## Acquired high ratings

# SoftBank Growth Strategy

Beyond Carrier

New  
Businesses



AI / Technologies  
Cutting-edge business models

Yahoo Japan



Telecom  
Business



Smartphone subscriber growth



Broadband subscriber growth



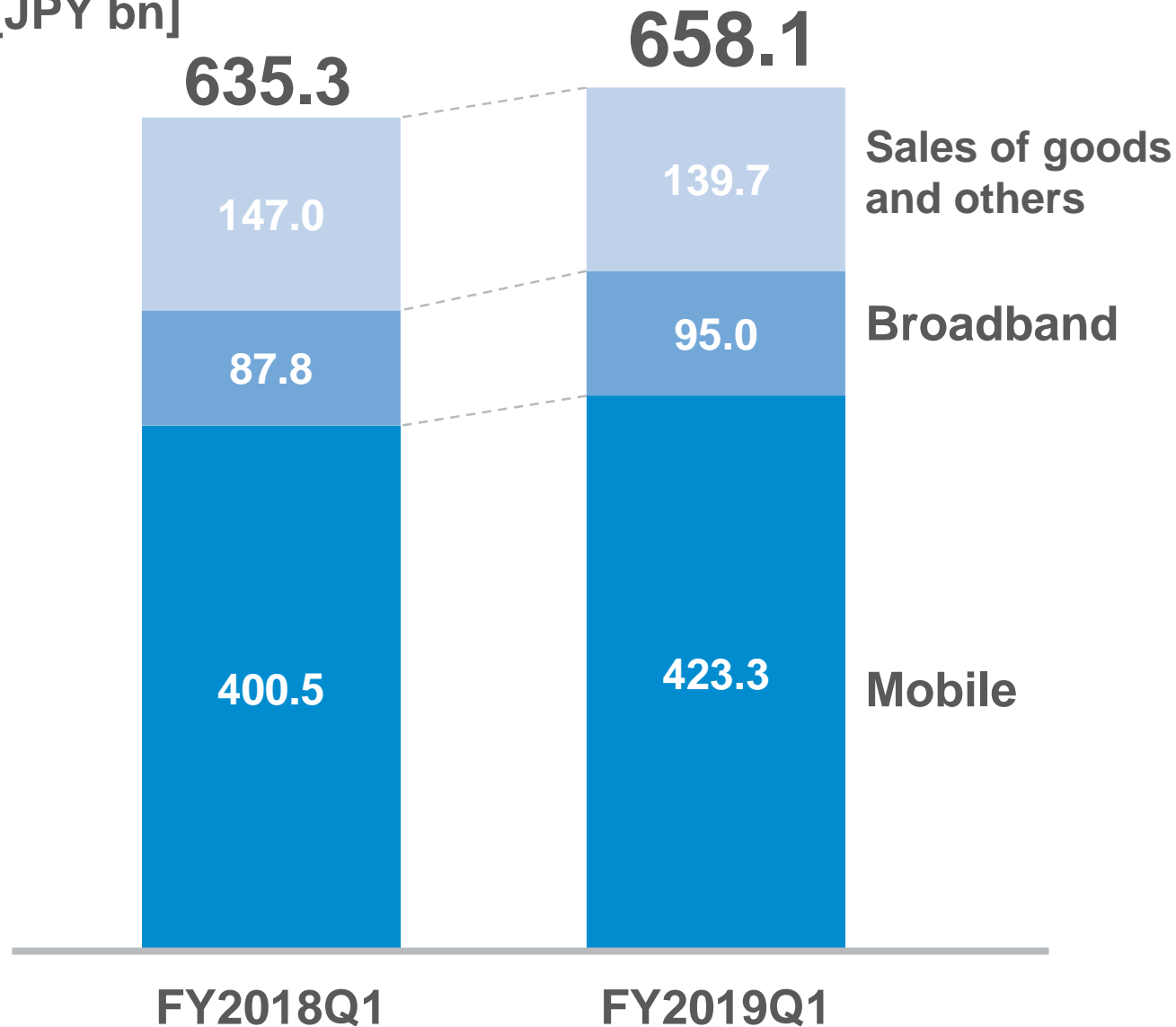
New infrastructure



# Telecom Business

# Consumer: Revenue

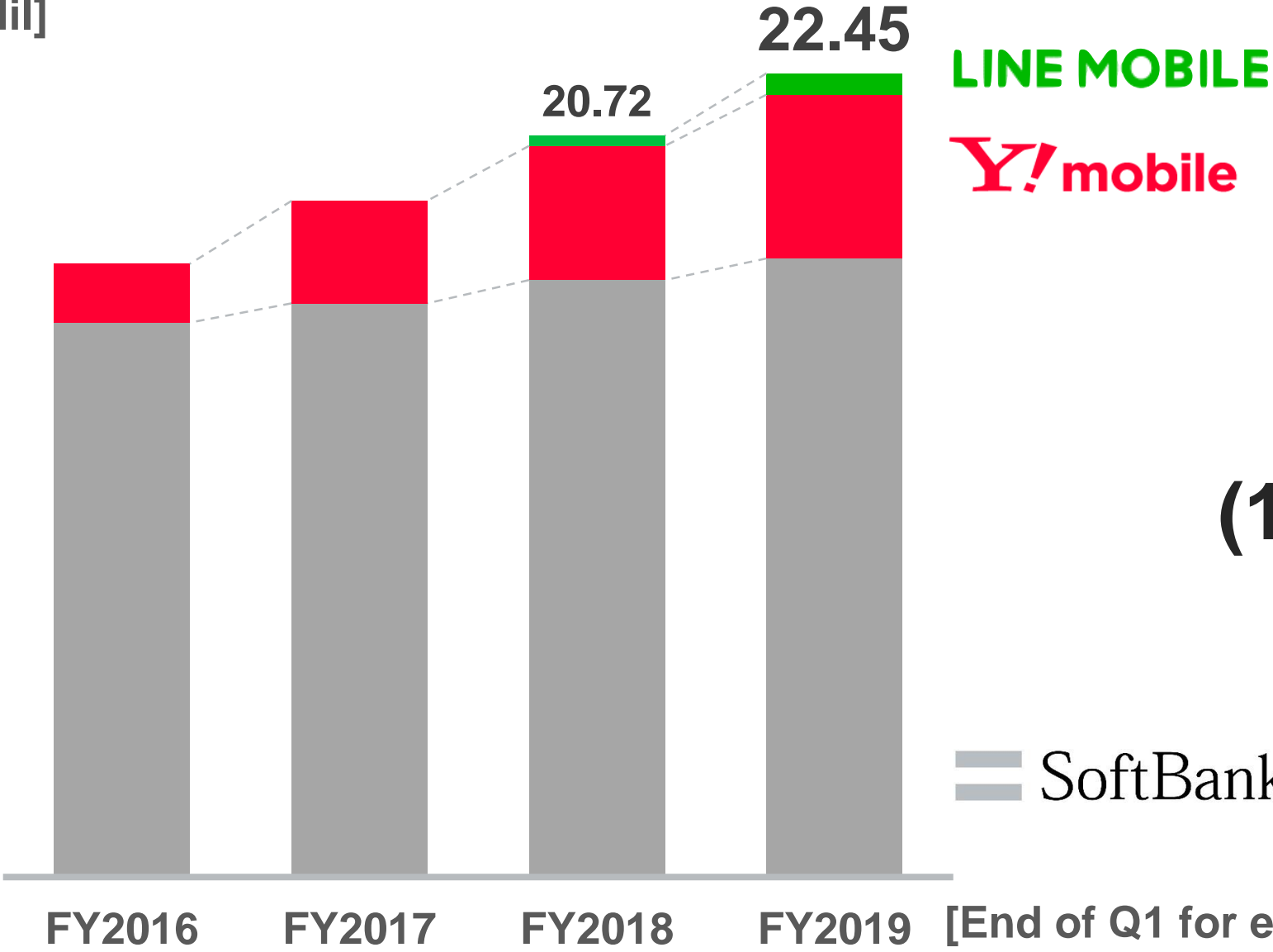
[JPY bn]



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

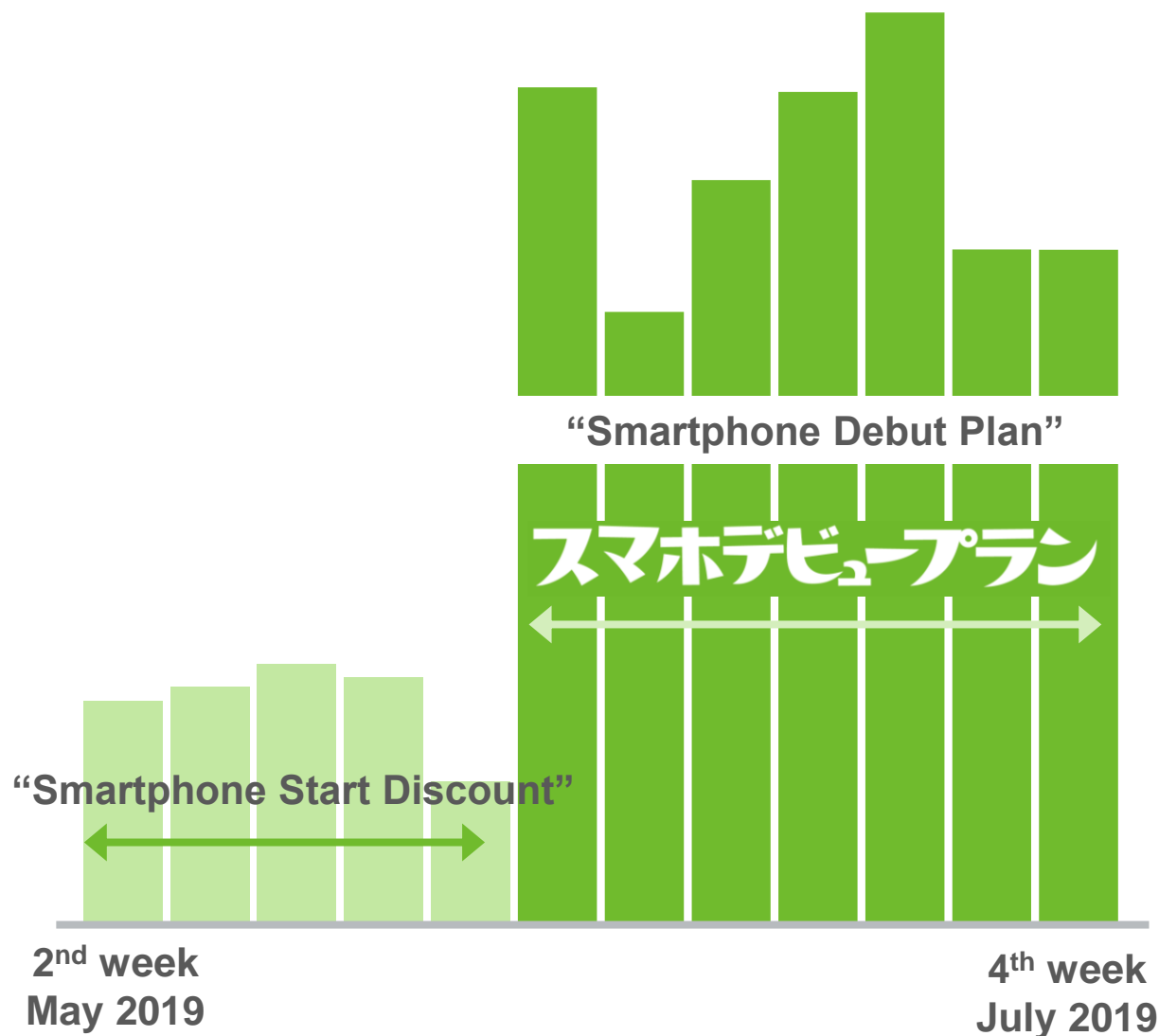
# Smartphone Cumulative Subscribers

[Mil]



**Up 8%**  
(1.74 mil increase)

# “Smartphone Debut Plan” Subscriptions



3x  
v.s. prior plan

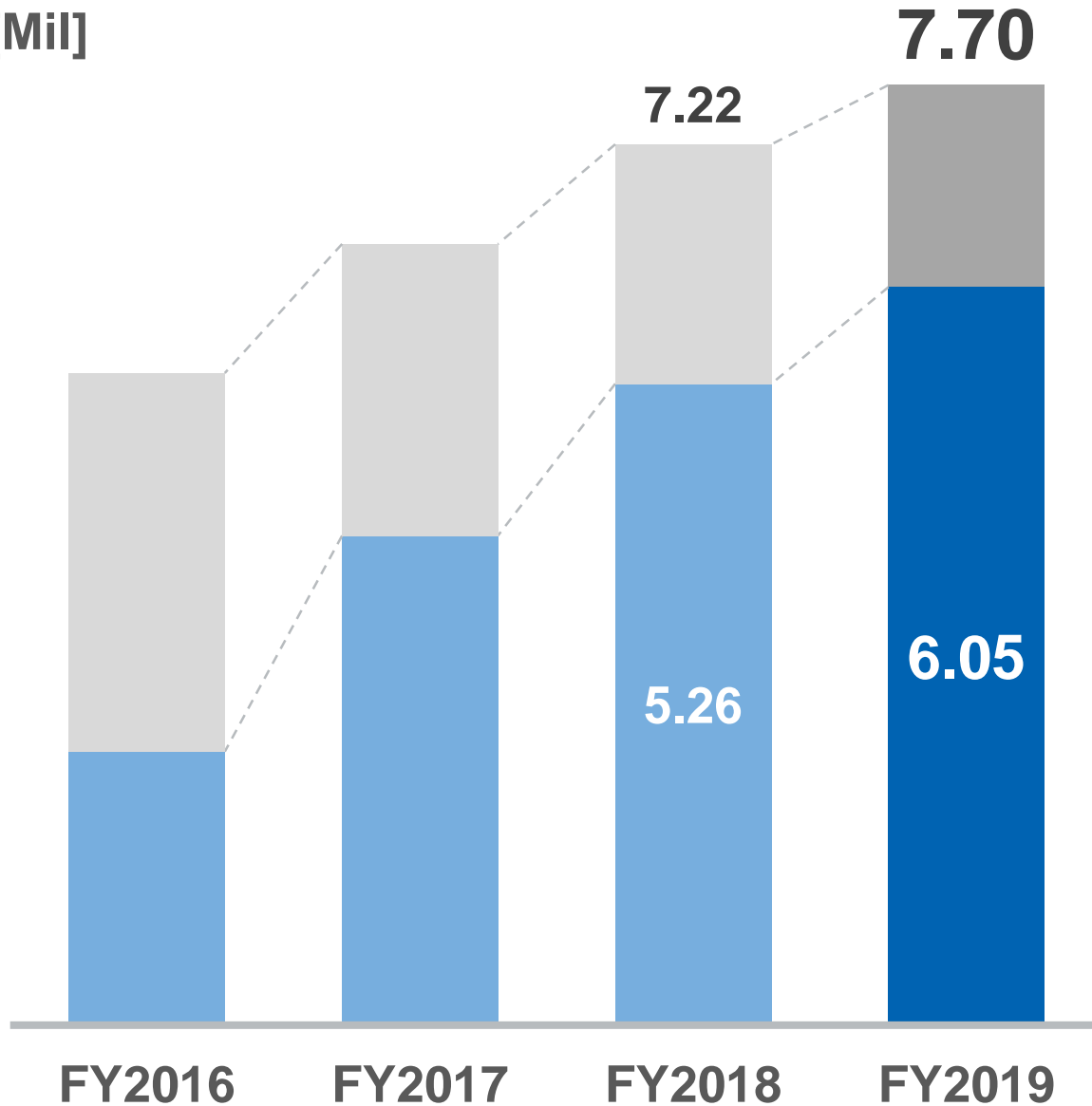


(Notes)

From May 8 to Jun 11, 2019: subscriptions for “Smartphone Start Discount”, both upgrades from feature phones, and new adds via MNP  
From Jun 12 to Jul 30, 2019: subscriptions for “Smartphone Debut Plan”, both upgrades from feature phones, and new adds via MNP

# Broadband Cumulative Subscribers

[Mil]



YAHOO! JAPAN BB  
Broadband

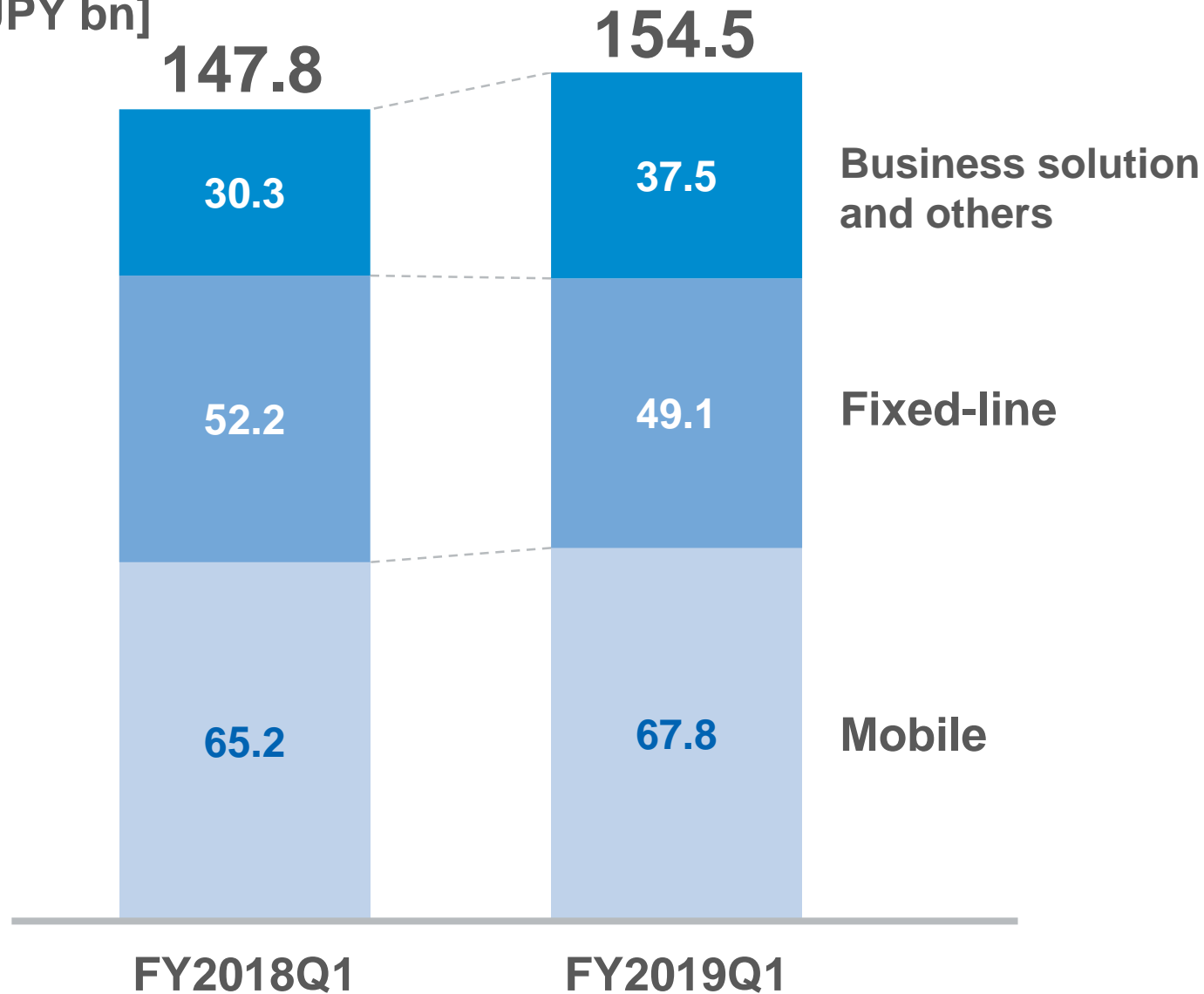
= SoftBank 光

Up 15%

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

# Enterprise: Revenue

[JPY bn]

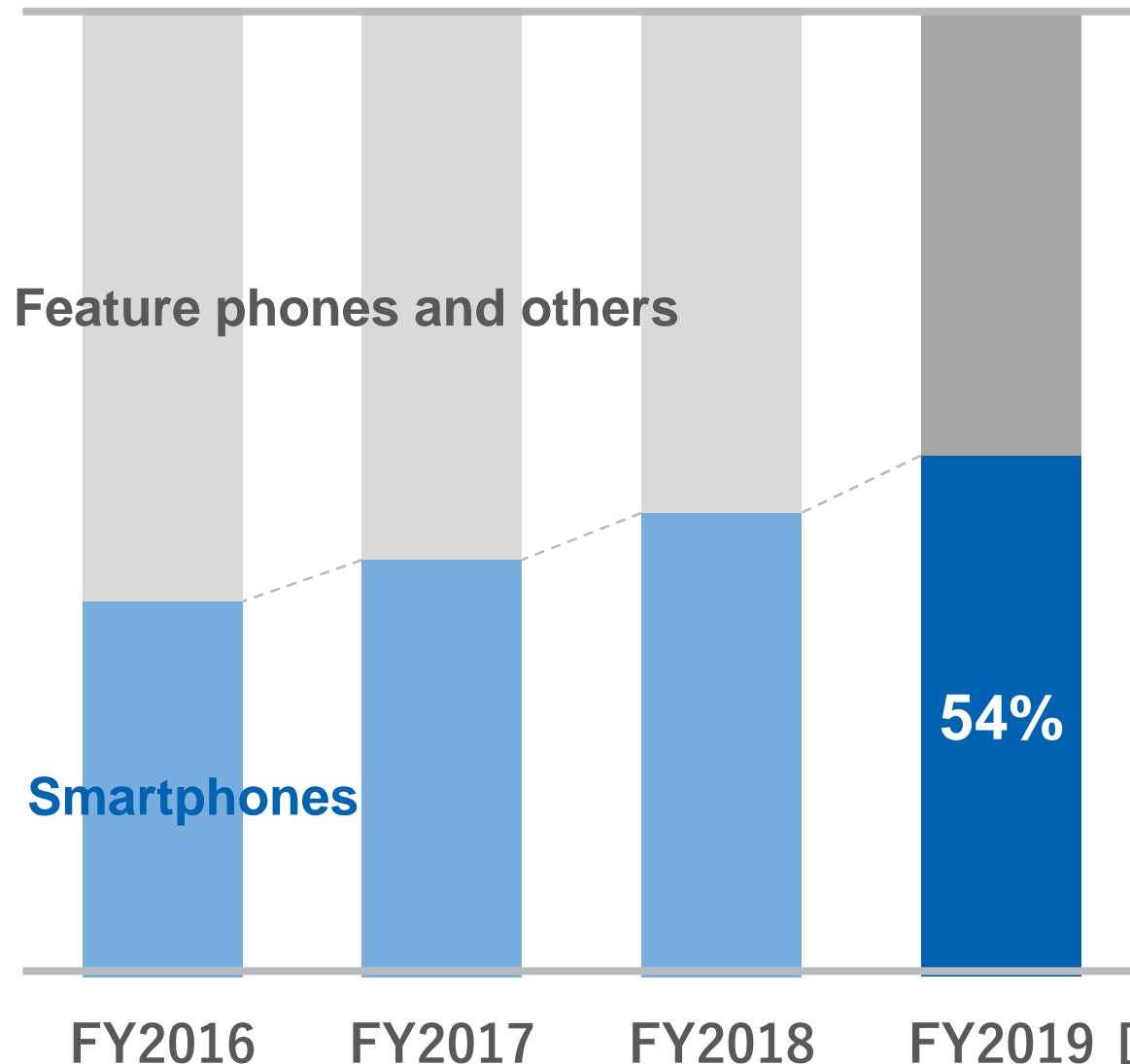


**Up 5%**  
Business solution  
drove the growth

# Enterprise: Smartphone Subscribers %

SoftBank

[%]



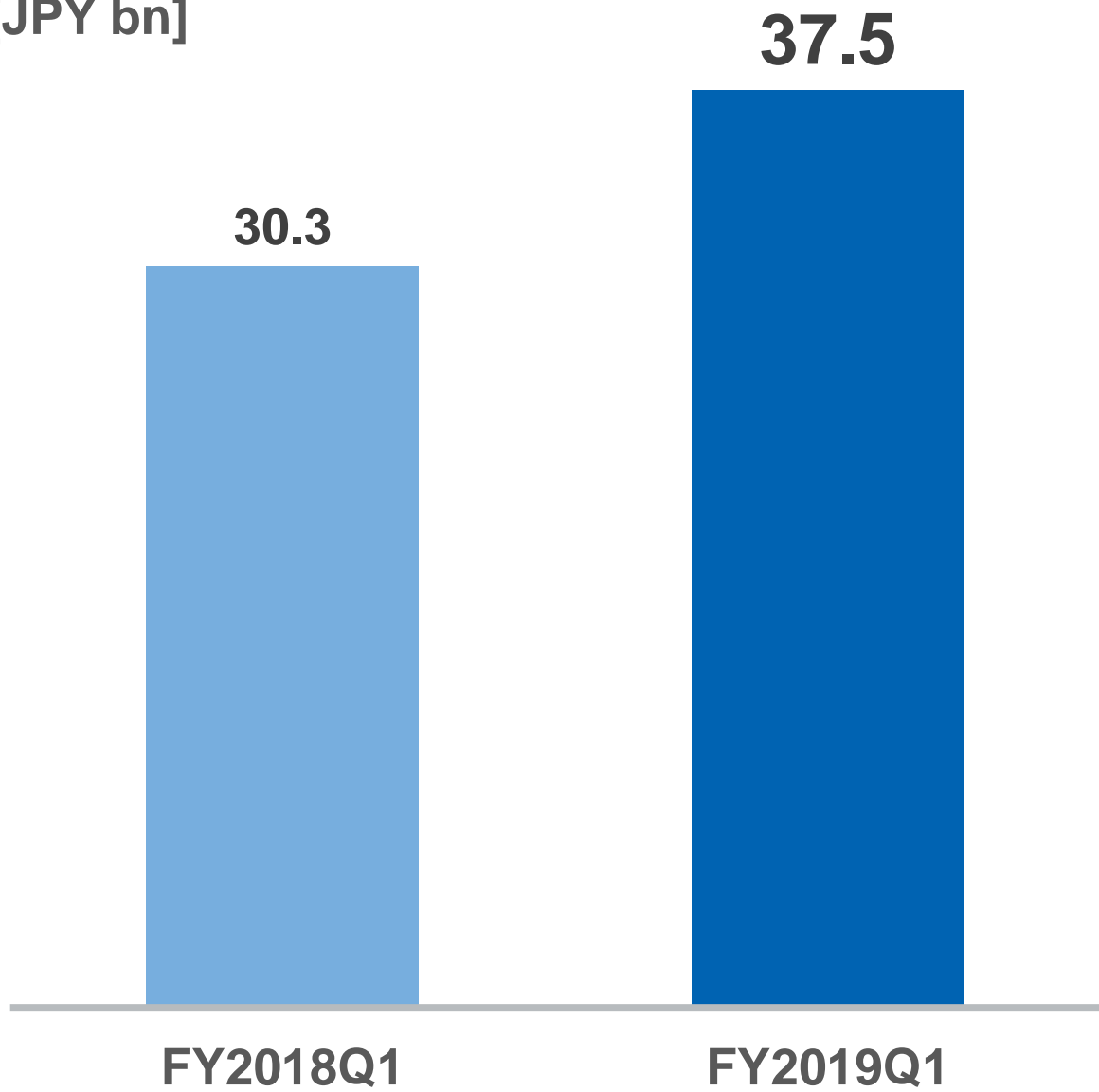
## Steady increase of smartphone penetration



(Note) Ratio of smartphone users to enterprise handset subscribers for both SoftBank and Y!mobile brands

# Enterprise: Revenue of Business Solution and Others SoftBank

[JPY bn]



Up 24%





# Business Event for Enterprise Customers SoftBank World 2019

July 18 - 19, 2019 20



# SoftBank World 2019 Results

Online Views

**100,000**

Attendees

**17,000**  
normalized attendees

Sponsors

**97**  
companies

Media Reports

**186**

(Notes)

Online views: number of views of live streaming via PC and smartphones on Day 1 and Day 2 of the event. Multiple views using the same devices or from multiple devices are counted multiple times

Attendees: number of normalized attendees who came to the event on Day 1 and Day 2 (counted multiple times if one person attended multiple sessions).

Media reports: include Web posts, news, and TV reports posted till 6:00 AM July 25, 2019. (Including reposted reports on Web sites)




# Social Issues in Japan

Economic loss due to social issues (per year)



**Traffic  
congestion**

**JPY 10 tri**



**Retirement  
due to childbirth**

**JPY 1.2 tri**



**Natural  
disaster**

**JPY 43 tri**

(Cumulative total for  
the past 20 years)



**Aging  
infrastructure**

**JPY 5 tri**



**Cyber crime**

**JPY 1 tri**



**Shrinking  
workforce**

**JPY 25 tri**



**Wasted  
food**

**JPY 2 tri**



**Traffic  
accident**

**JPY 4.2 tri**



**Illness**

(Medical cost, etc.)

**JPY 10 tri**



# Digital JAPAN

Leveraging technologies to solve social issues

# Enterprise: Focus Areas for New Businesses

## Retail/ Distribution



## Real estate/ Construction



## Service/ Tourism



## Healthcare



Cross-  
industry  
project

Social infrastructure (electricity, gas, water, weather information)

⋮

Logistics

Telecommunications

Payment

SoftBank Group invested companies

Asset



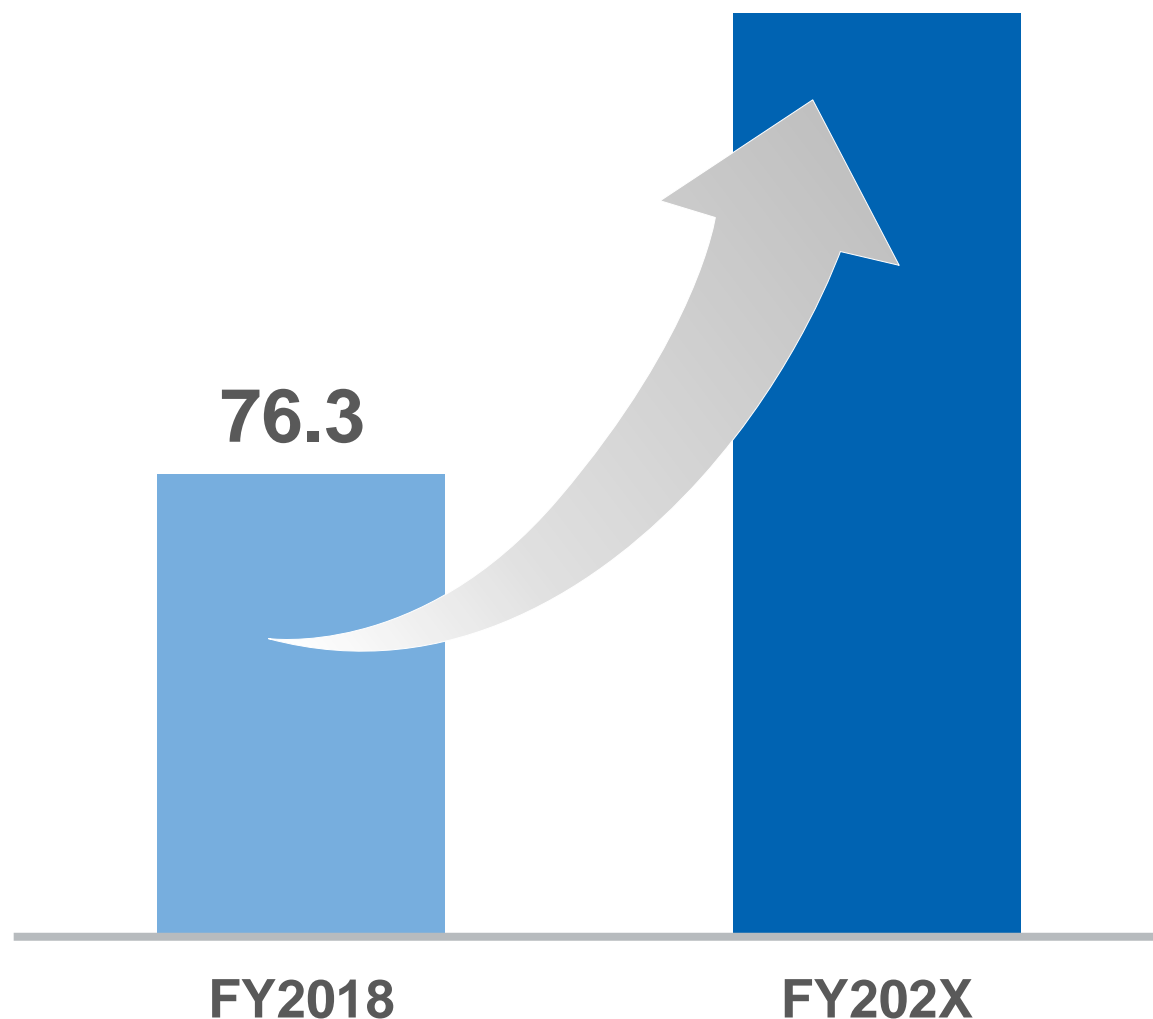
## 35 projects in progress



**17 projects**  
to be monetized by FY2020

# Enterprise: Segment Income

[JPY bn]



Aim to  
**double**  
profit in Enterprise

= SoftBank *5G*





First time success  
**5G Pre-Service**  
at a music festival in Japan



 **FUJI ROCK FESTIVAL'19**

July 26 - 28, 2019

(Note) "First time in Japan" is based on research of SoftBank Corp. as of July 2, 2019

# Mutual use of base station assets in rural areas

(Announced July 3, 2019)



# Benefit of mutual use of base station assets

1

**Efficient capital expenditures**



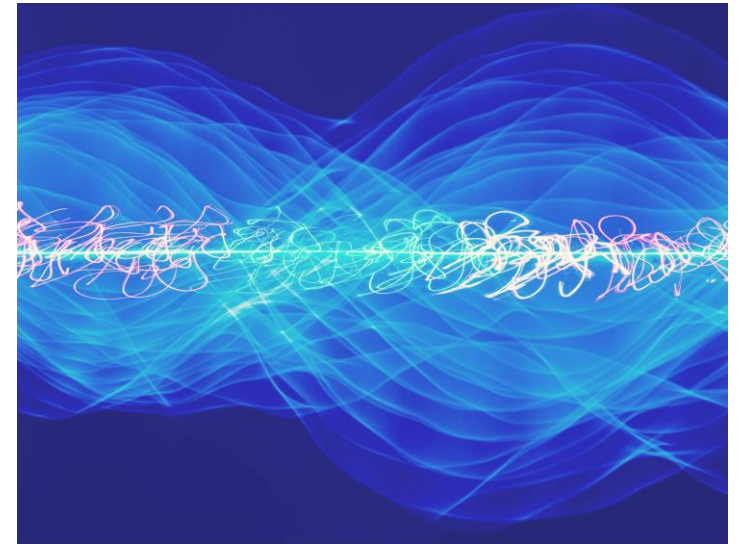
2

**Rapid 5G build-out in rural areas**



3

**Resilient network construction**





# Joint trials plan to start in Autumn 2019

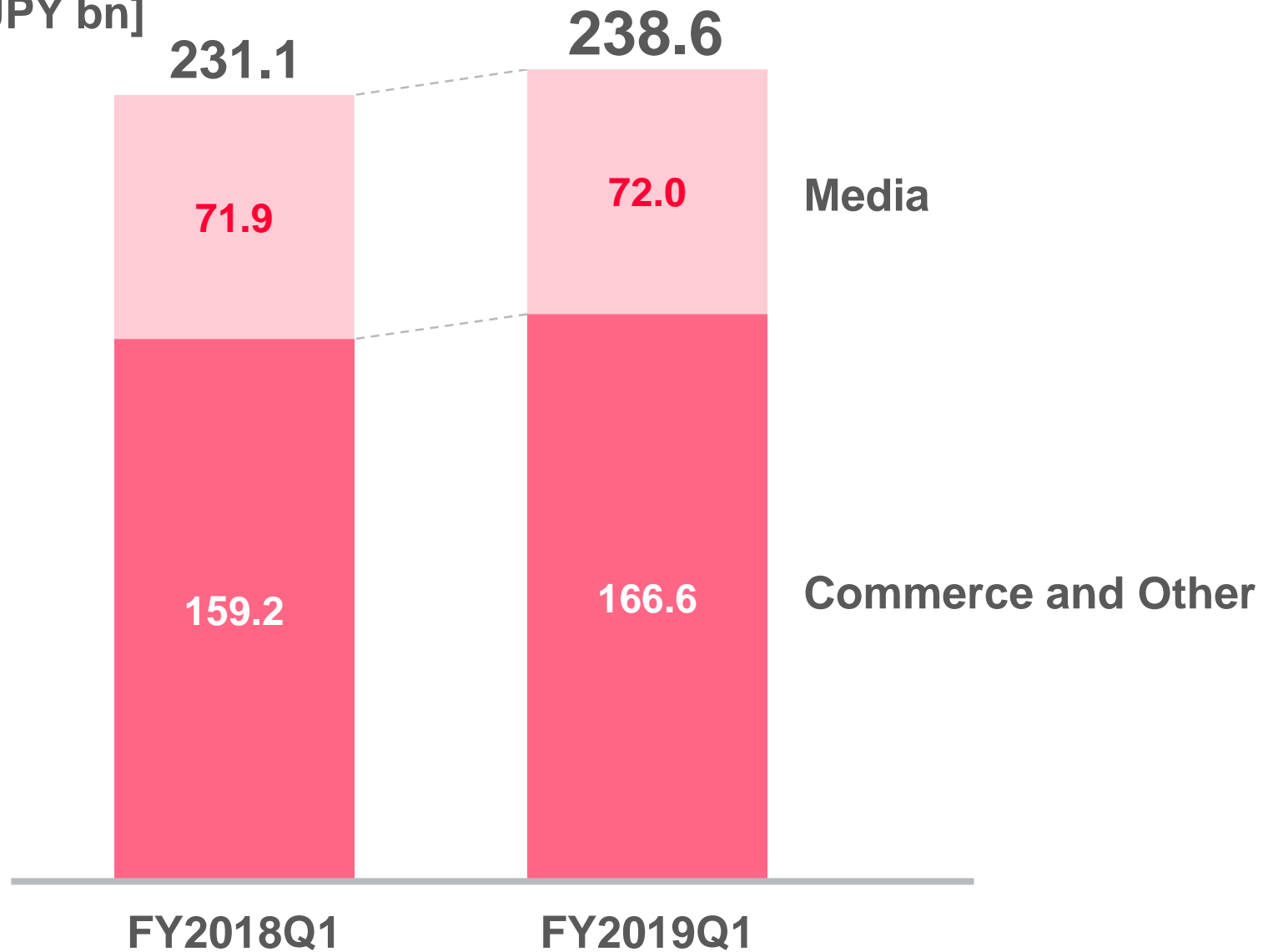


**Early contribution to industrial development  
and regional revitalization in Japan**

YAHOO!  
JAPAN

# Yahoo: Revenue

[JPY bn]

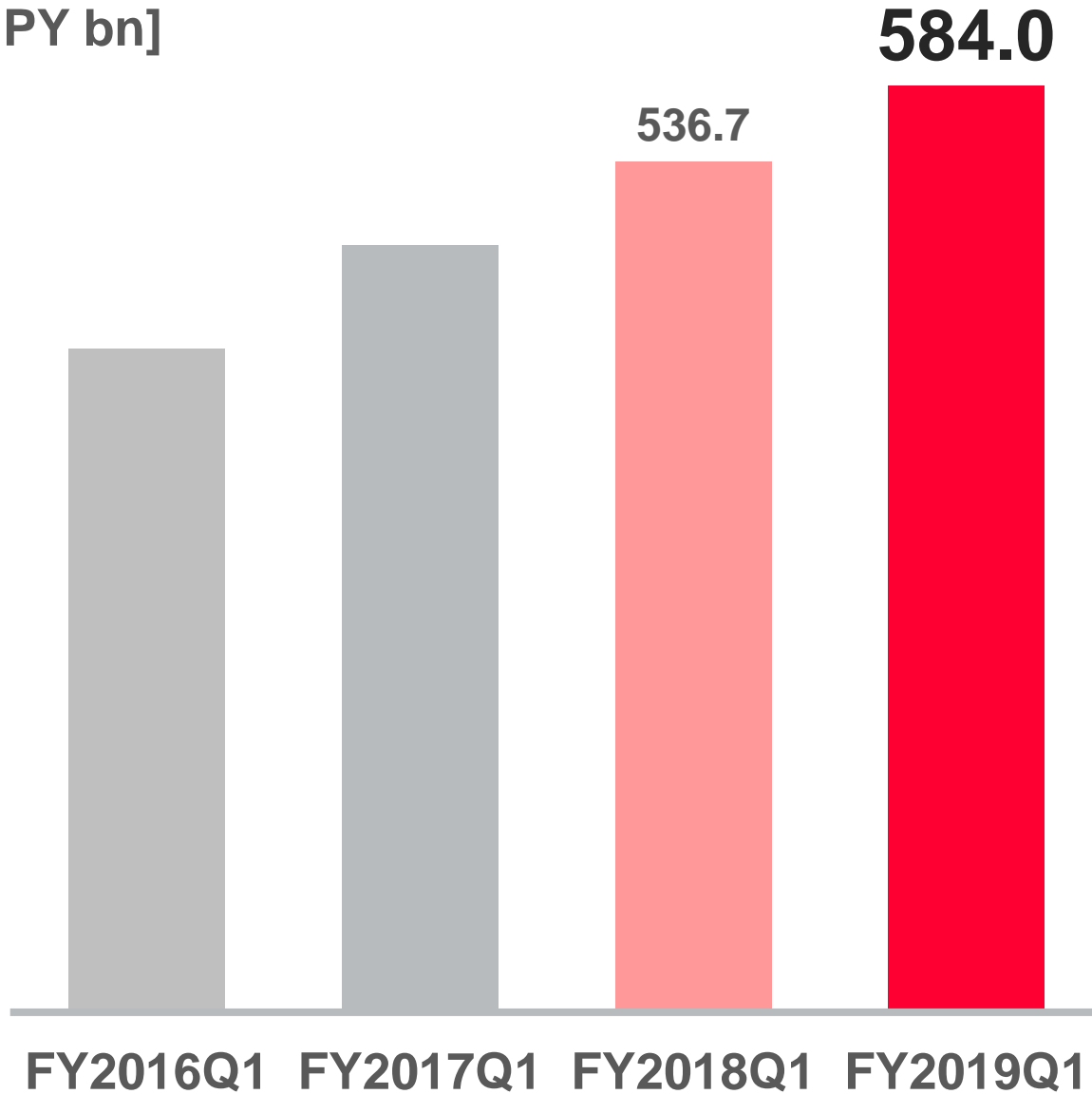


Up 3%

# E-commerce Transaction Value

Commerce

[JPY bn]



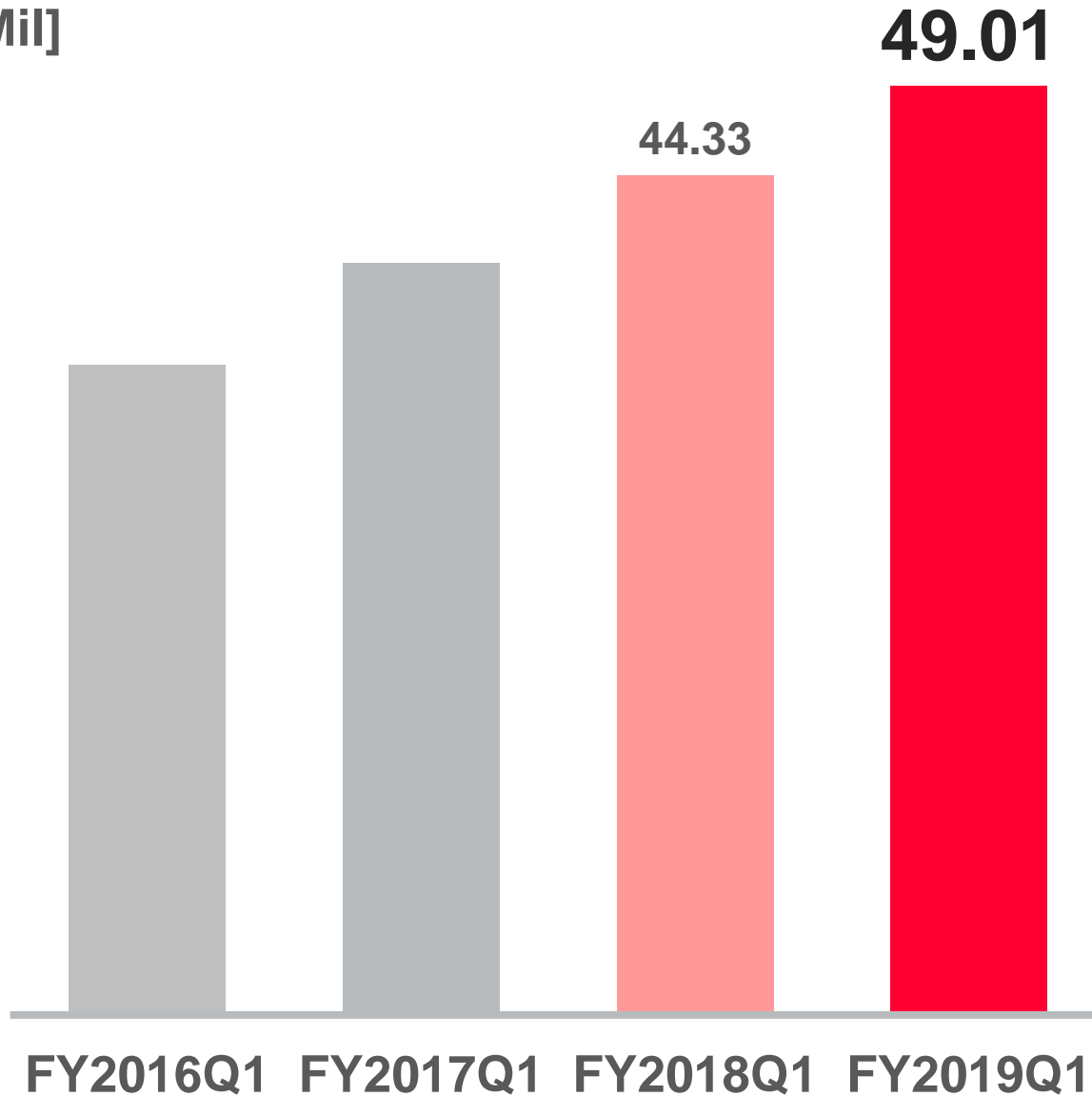
Up 9%



# Yahoo! JAPAN Monthly Logged-in User IDs

Media

[Mil]

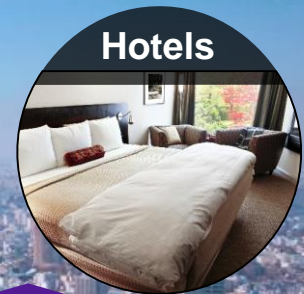


(Source) Yahoo Japan Corporation Earnings Results Presentation Materials, dated August 2, 2019  
(Note) Number of Yahoo! JAPAN IDs logged in each month



# SoftBank X Yahoo Japan

Create a future that others cannot repeat



**Big Data**

**YAHOO!**  
JAPAN

<Advertising / E-commerce>

**Communication**

SoftBank **5G**

<Smartphones / Network>

**AI Companies**

**SoftBank Group**  
portfolio companies

<Cutting-edge technologies>

# **Growth in New Businesses**



# Smartphone Payment Service PayPay

# PayPay: Cumulative Registered Users

[Mil]

10.00

5.00

0

Oct 2018

Aug 2019

**Exceeding**

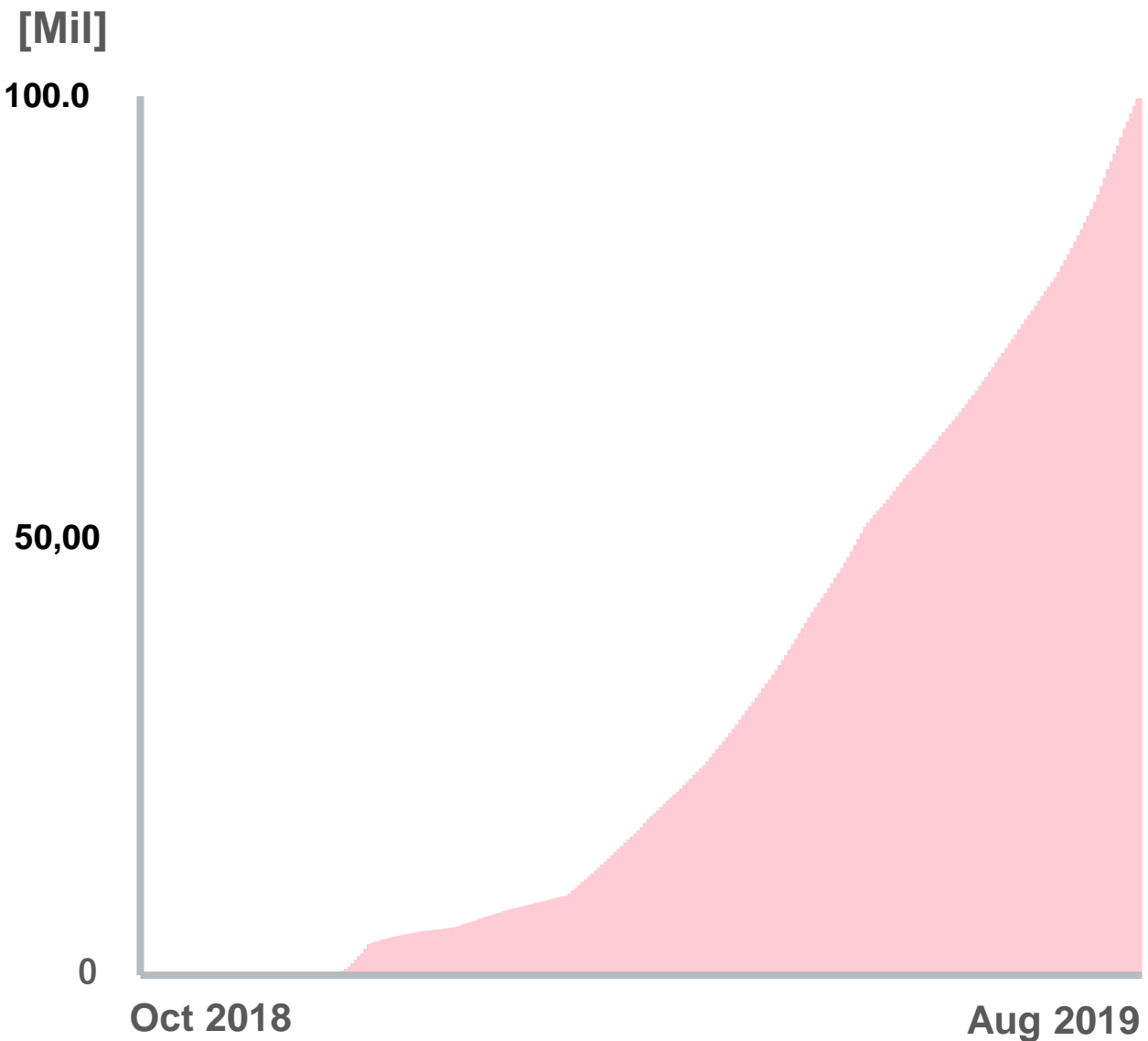
**9.8 mil**

**10 months since service launch**

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

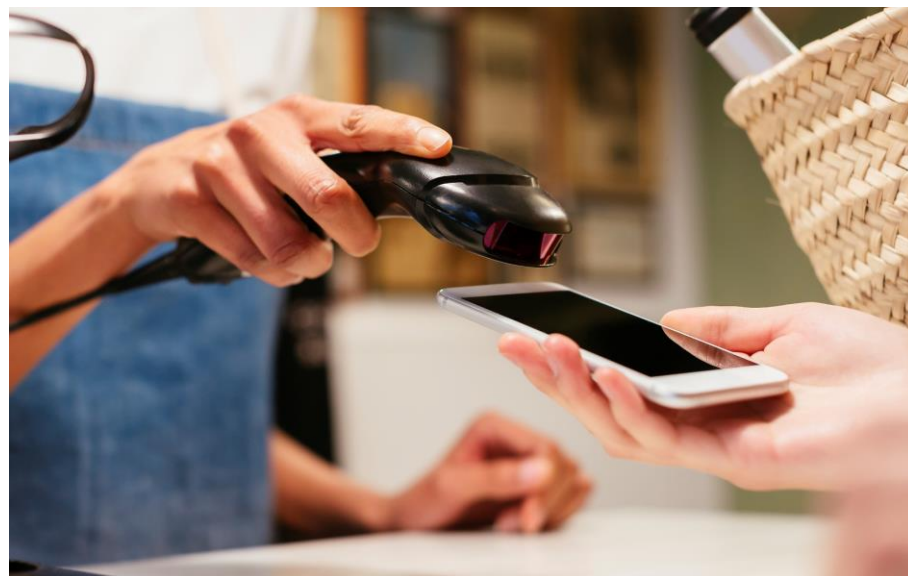


# PayPay: Cumulative Number of Payment Transactions



**Exceeding  
100 mil**

**10 months since service launch**



(Source) Data by PayPay Corporation, collected from Oct 5, 2018 to Aug 5, 2019

# PayPay: Campaigns



**Jul**

PayPay bonus  
**Up to 20%**  
at restaurants and  
supermarkets

**Aug**

PayPay bonus  
**Up to 20%**  
at convenience stores,  
restaurants and  
supermarkets

**Cultivating  
user habit  
via monthly campaign  
with various themes**

(Note) Payments using PayPay to the target merchants on PayPay campaigns, get up to 10% PayPay bonus; SoftBank or Y!mobile smartphone subscribers, who are also Yahoo! premium members, get up to 20% PayPay bonus  
(Source) Provided by PayPay Corporation

# PayPay: Online Usage Expansion

Autumn 2019

New E-commerce Service Launch

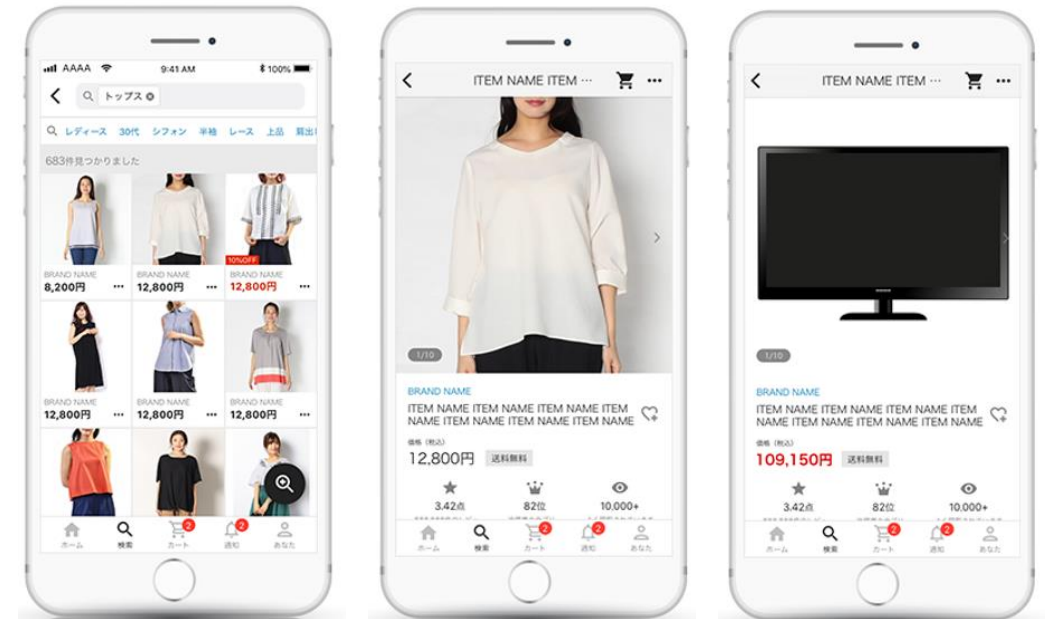
PayPay Flea Market, PayPay Mall

June 2019

Online Payment Launch

ヤフオク!

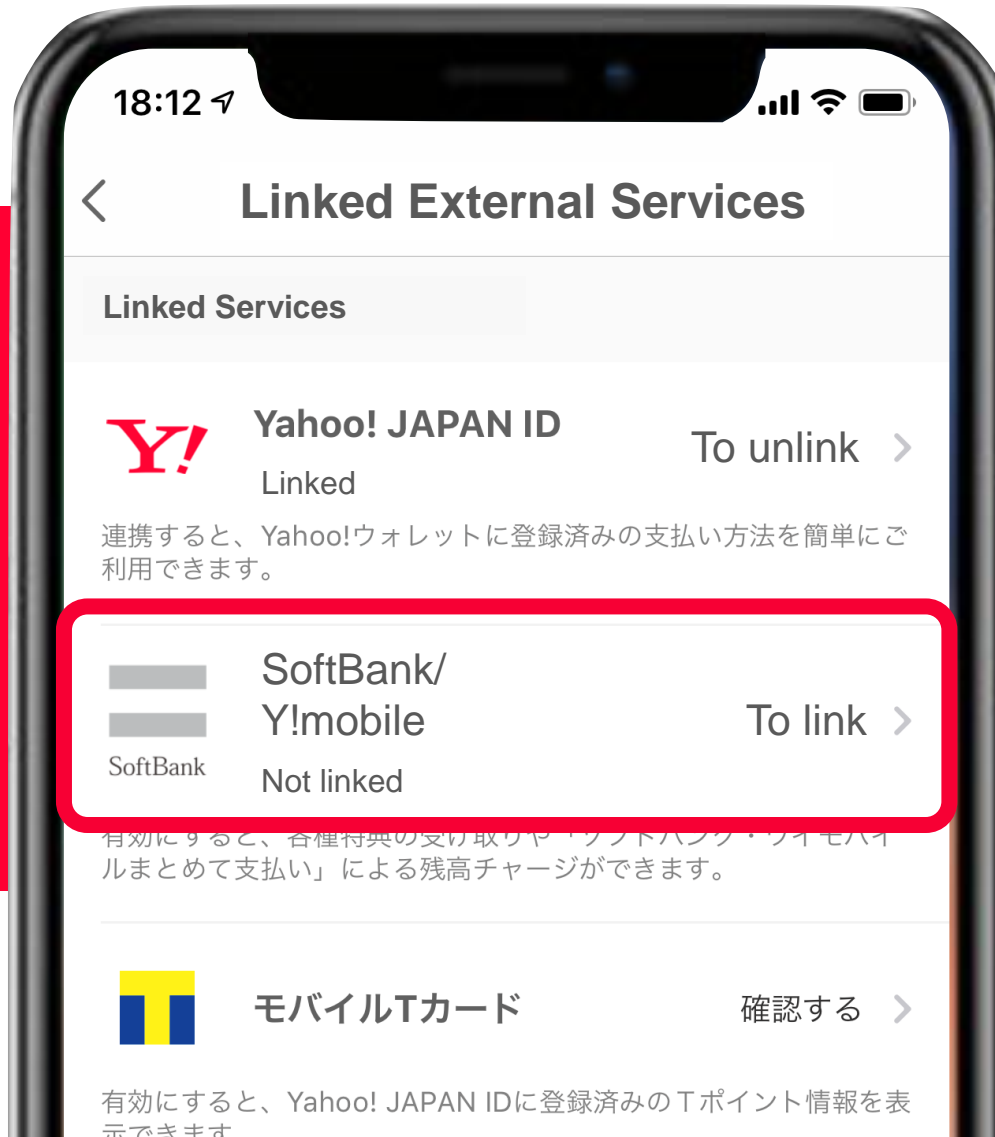
YAHOO! ショッピング  
JAPAN Shopping



(Note) Image is PayPay Mall

# PayPay: SoftBank User Benefit

Smartphone subscribers from



**Charged PayPay amount  
can be paid with  
monthly service fee on one bill**

**Adding more conveniency**

(Note) SoftBank and Y!mobile smartphone subscribers can pay the charged amount to their PayPay account together with their monthly service fees on one bill.





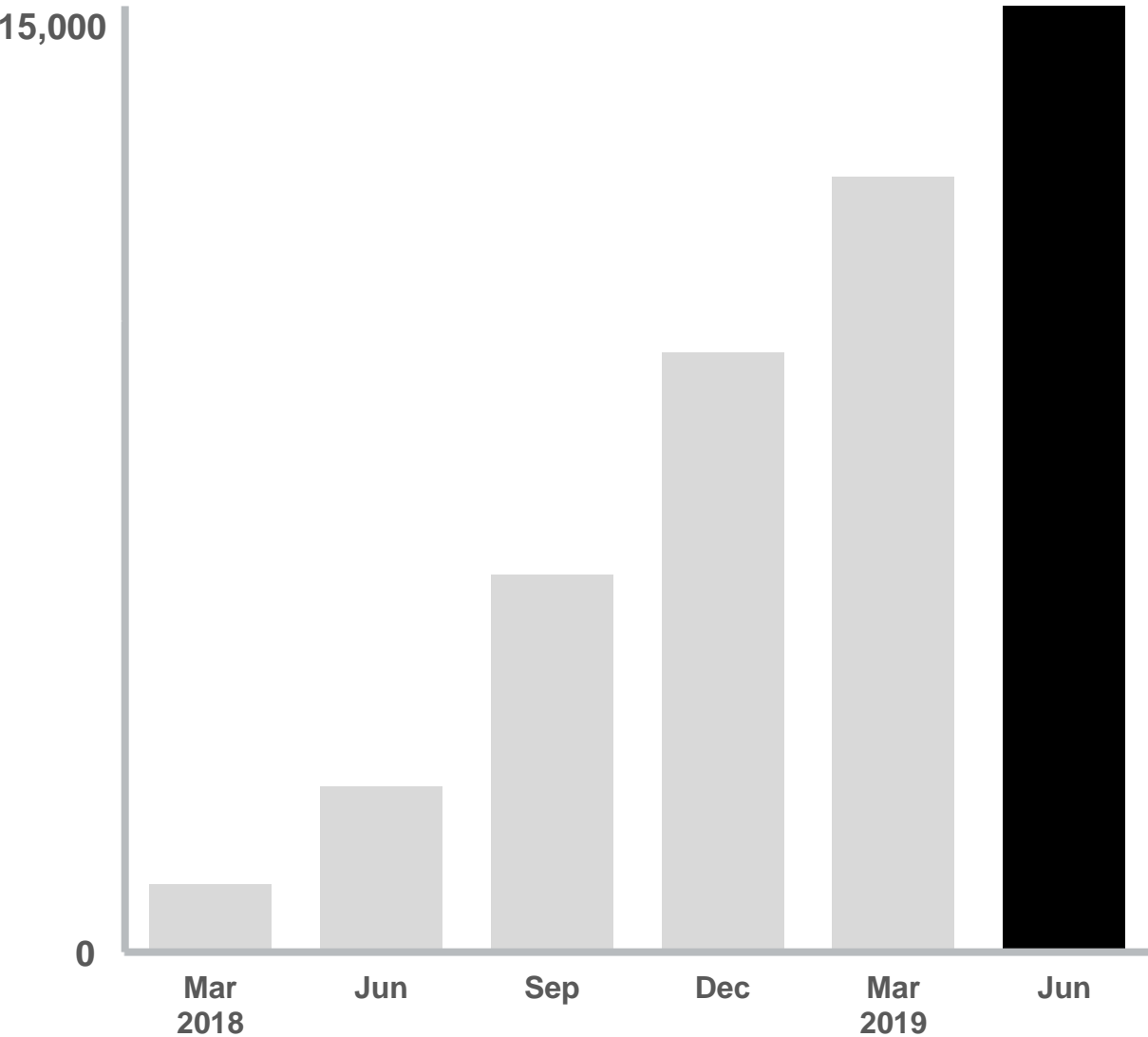
# Community Promoted Workspace WeWork

The information contained herein is provided for illustrative purposes only. The information presented here was provided by WeWork. Nothing herein should be construed as a recommendation of any investment or security.

(Photo credits) WeWork

# WeWork Memberships in Japan

[Memberships]



Exceeding  
**15,000**  
1 year and 4 months  
since launch in February 2018

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

# WeWork Added Value

## Promote communication among enterprises

Regional business  
invitation and support base  
**Shizuoka City**



Half a year in WeWork  
Communicated with approx. **300** companies

New business for  
companies in regions  
**Hokkaido Gas Co., Ltd.**



1 month in WeWork  
Met with approx. **70** companies

Tailor made suites  
measuring on site  
**Onward Kashiya Co., Ltd**  
Personal Style



Leveraging the community  
Achieved **High traffic**



# WeWork Added Value



Ratio of users who answered  
“At WeWork our company has been growing”  
at WeWork offices in Tokyo

**WeWork**  
contribution to business  
recognized by  
**80%+**  
of users in Tokyo  
(Highest among 62 cities worldwide)

(Source) WeWork “Global Impact Report 2019” released June 2019

The information contained herein is provided for illustrative purposes only. The information presented here was provided by WeWork. Nothing herein should be construed as a recommendation of any investment or security.  
SoftBank is under no obligation to update the information contained herein.

(Photo credits) WeWork

# WeWork Japan Locations

NEW

Roppongi	Jingumae	Fukuoka (Daimyo)	<b>Fukuoka (Nakasu)</b>
Marunouchi	Yokohama	Ikebukuro	<b>Nagoya</b>
Ginza	Kyobashi	Kamiyacho	<b>Hanzomon</b>
Shimbashi	<b>Osaka (Namba)</b>	Yotsuya	<b>Osaka (Midosuji)</b>
Hibiya	Nogizaka	Jimbocho	

**Expanding  
nationwide**  
**19 locations in 5 cities**

(As of June 2019)

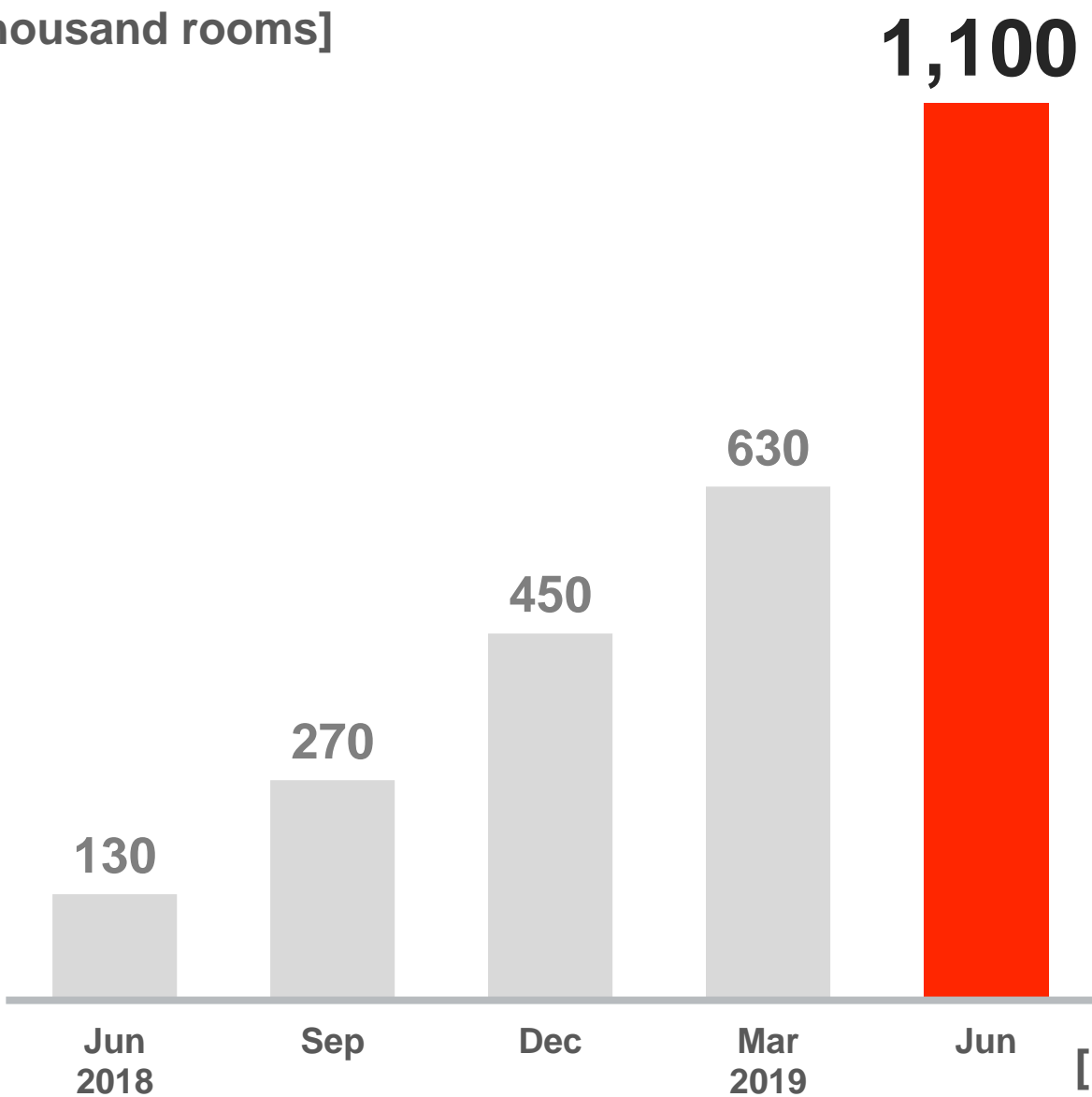


# Innovative Hotel Service **OYO Hotels**

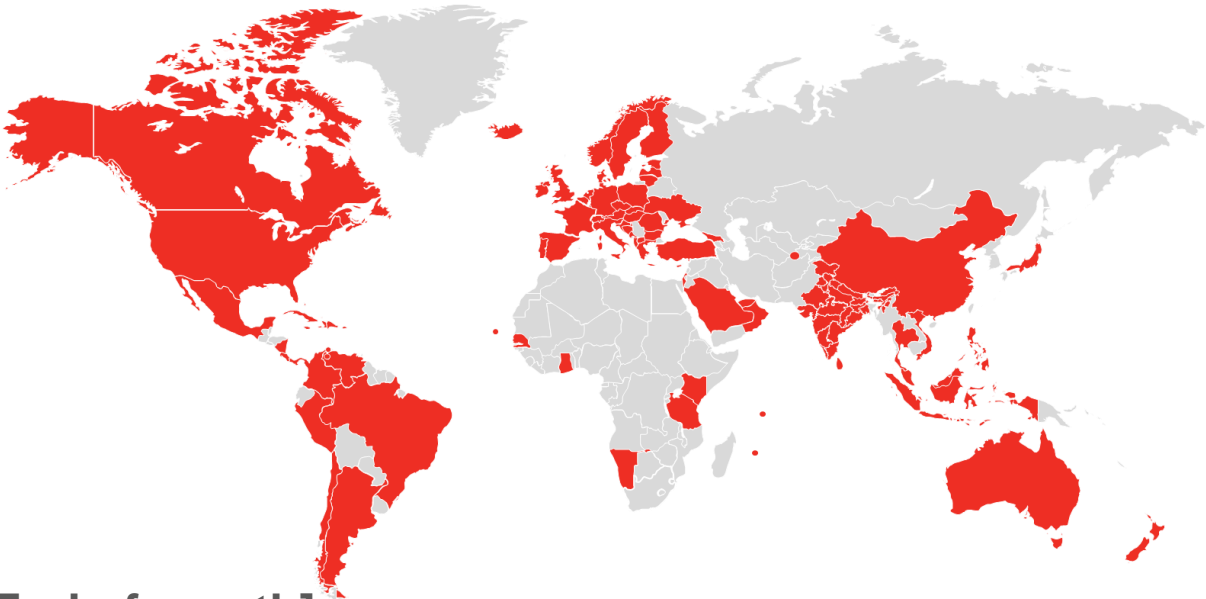
The information contained herein is provided for illustrative purposes only. The information presented here was provided OYO. Nothing herein should be construed as a recommendation of any investment or security.

# OYO: Number of Hotel Rooms (Global)

[Thousand rooms]



Approx. **8x**  
in 1 year



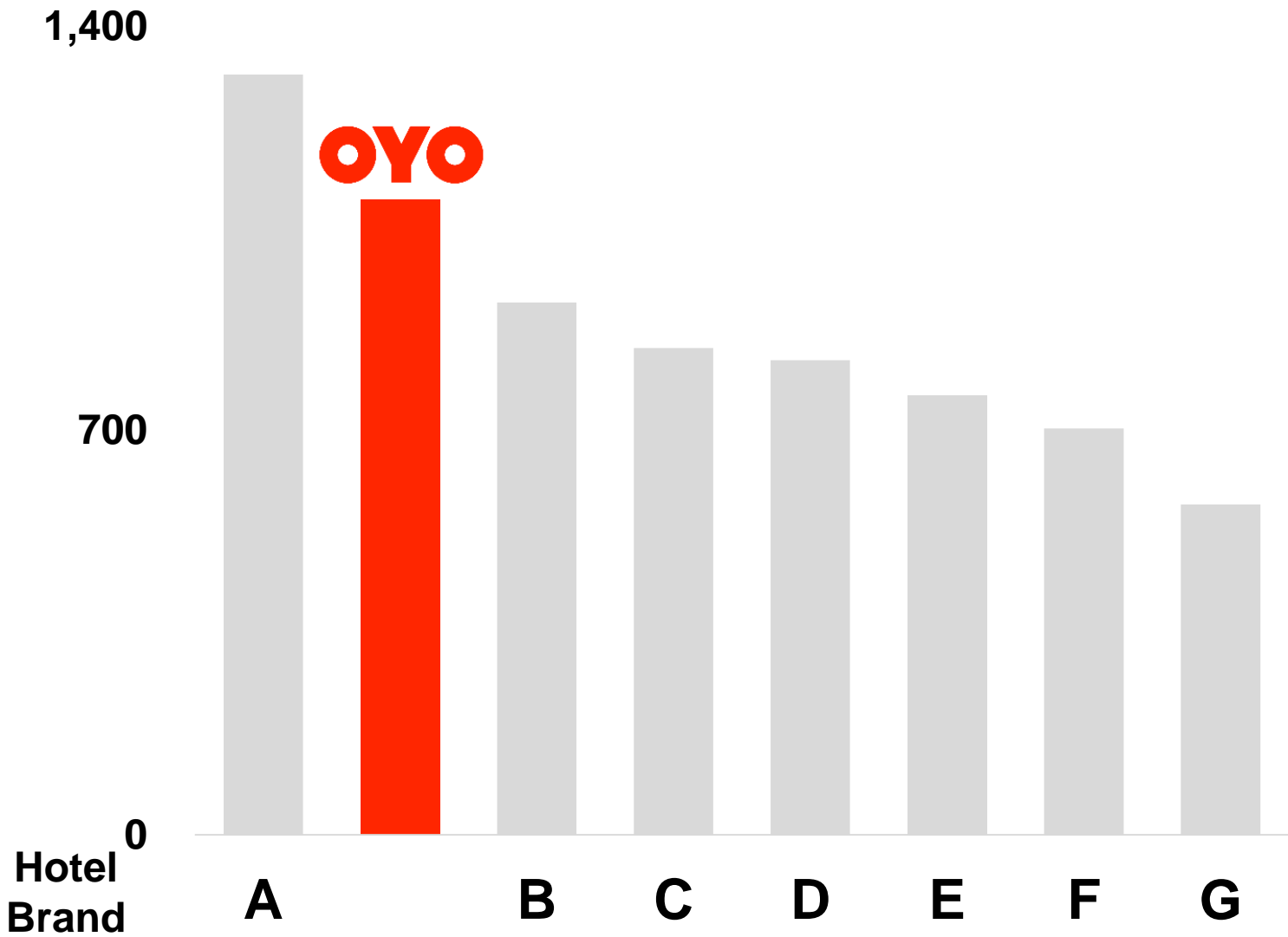
The information herein is provided for illustrative purposes only and is based on OYO's data. There can be no assurances that historical trends will continue throughout the life of the Vision Fund. Nothing herein should be construed as a recommendation of any investment or security. The metrics regarding select aspects of the company's operations were selected by SBIA on a subjective basis. Such metrics are provided solely for illustrative purposes to demonstrate elements of the company's business, are incomplete, and are not necessarily indicative of the company's performance or overall operations.

(Source) Compiled by SoftBank Corp. based on SoftBank World 2019 presentation materials by OYO on June 18, 2019



# Number of Hotel Rooms by Brand (Global)

[Thousand rooms]



**World No. 2**  
**6 years**  
**since founding**

(Source) Compiled by SoftBank Corp. based on SoftBank World 2019 presentation materials by OYO on June 18, 2019

The comparables provided herein were selected by the SBIA for illustrative purposes because the SBIA believes that they present the most direct comparables in the industry within the relevant time period. Selection of such criteria is inherently subjective and others might select other comparables based on their assessment of the market. Past performance is not indicative of future results. There can be no assurances that historical trends will continue throughout the life of the Vision Fund. Nothing herein should be construed as a recommendation of any investment or security. Such metrics are provided solely for illustrative purposes to demonstrate elements of the company's business, are incomplete, and are not necessarily indicative of the company's performance or overall operations. The information herein is provided is based on OYO's data.

# OYO Added Value

## Improve facilities and services quickly

### Before



### Facilities



Beds



Toilets



WiFi

### Staff



Regular trainings

### IT system



OYO app



Online booking

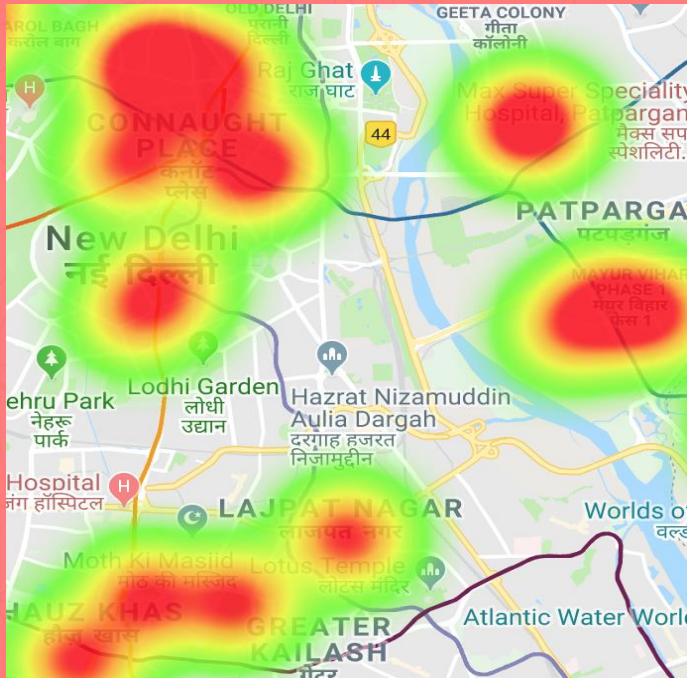
### After



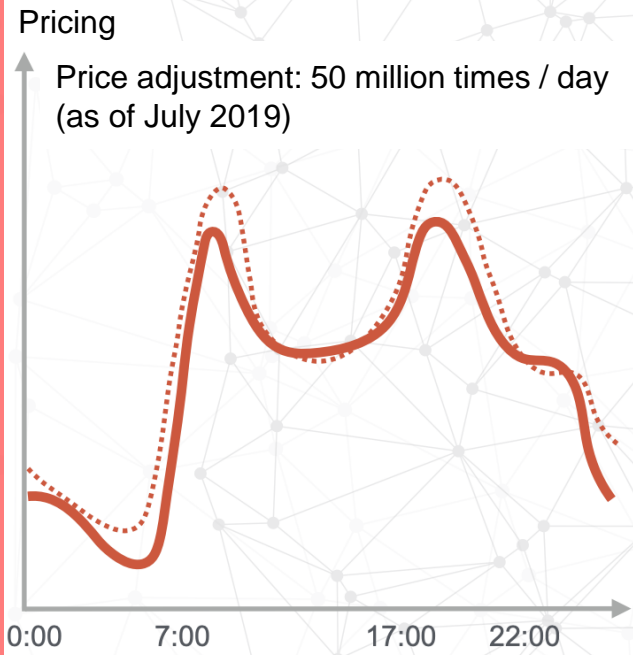
# OYO Added Value

## Analyze demands using AI and set up prices dynamically

### Heat map



### Dynamic Pricing



(Note) Image for the Japanese version under development

The information contained herein is provided for illustrative purposes only. The information presented here was provided OYO. Nothing herein should be construed as a recommendation of any investment or security.



# OYO Hotels Japan

Number of hotels  
in Japan  
**80+**



**Plan to launch service in September 2019**

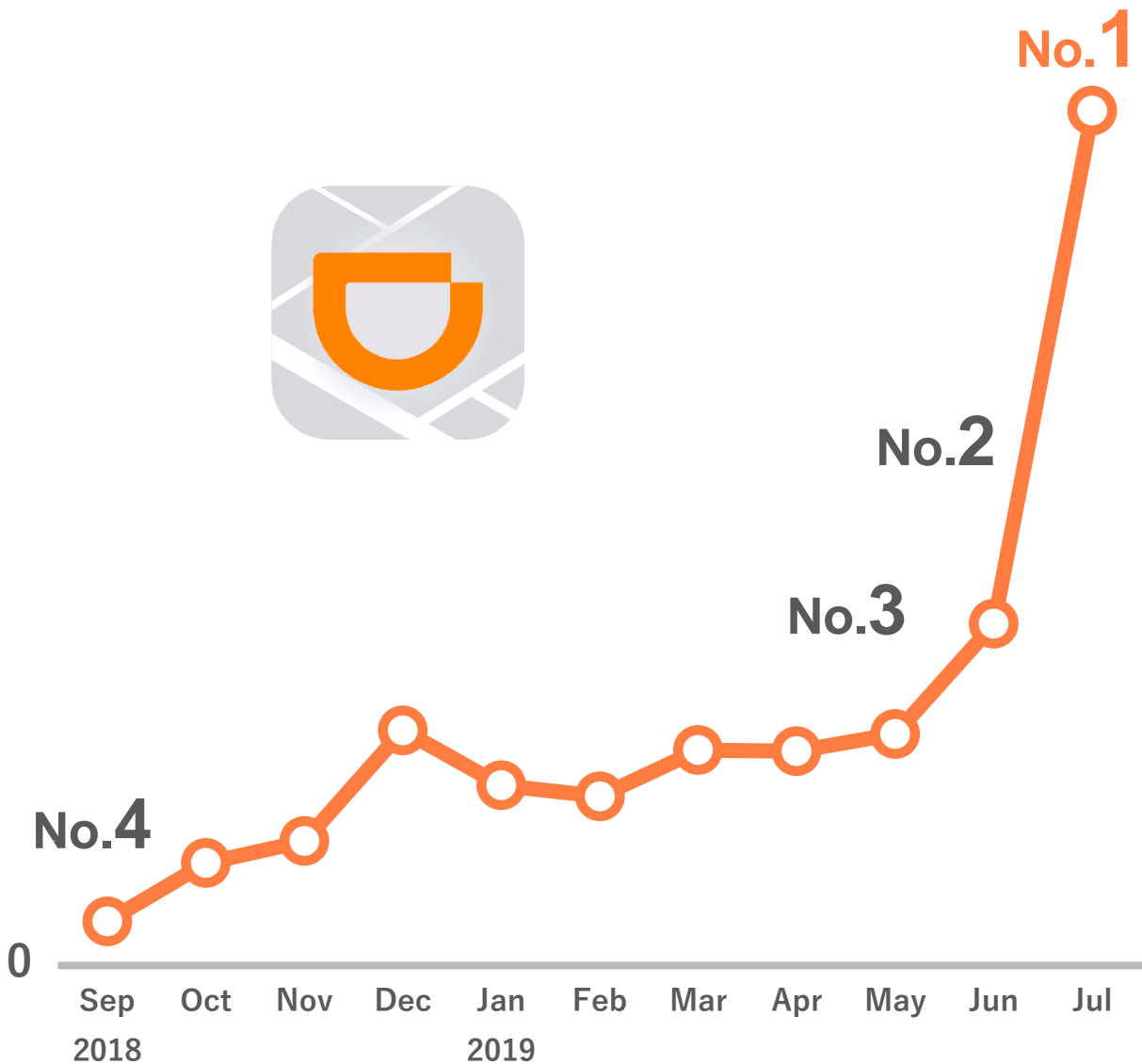
(Note) Number of hotels registered with OYO brand in Japan as of July 26, 2019



# AI Taxi-hailing Platform DiDi



# DiDi App: Number of Downloads per month



Among taxi-hailing apps

Number of downloads

**No.1**

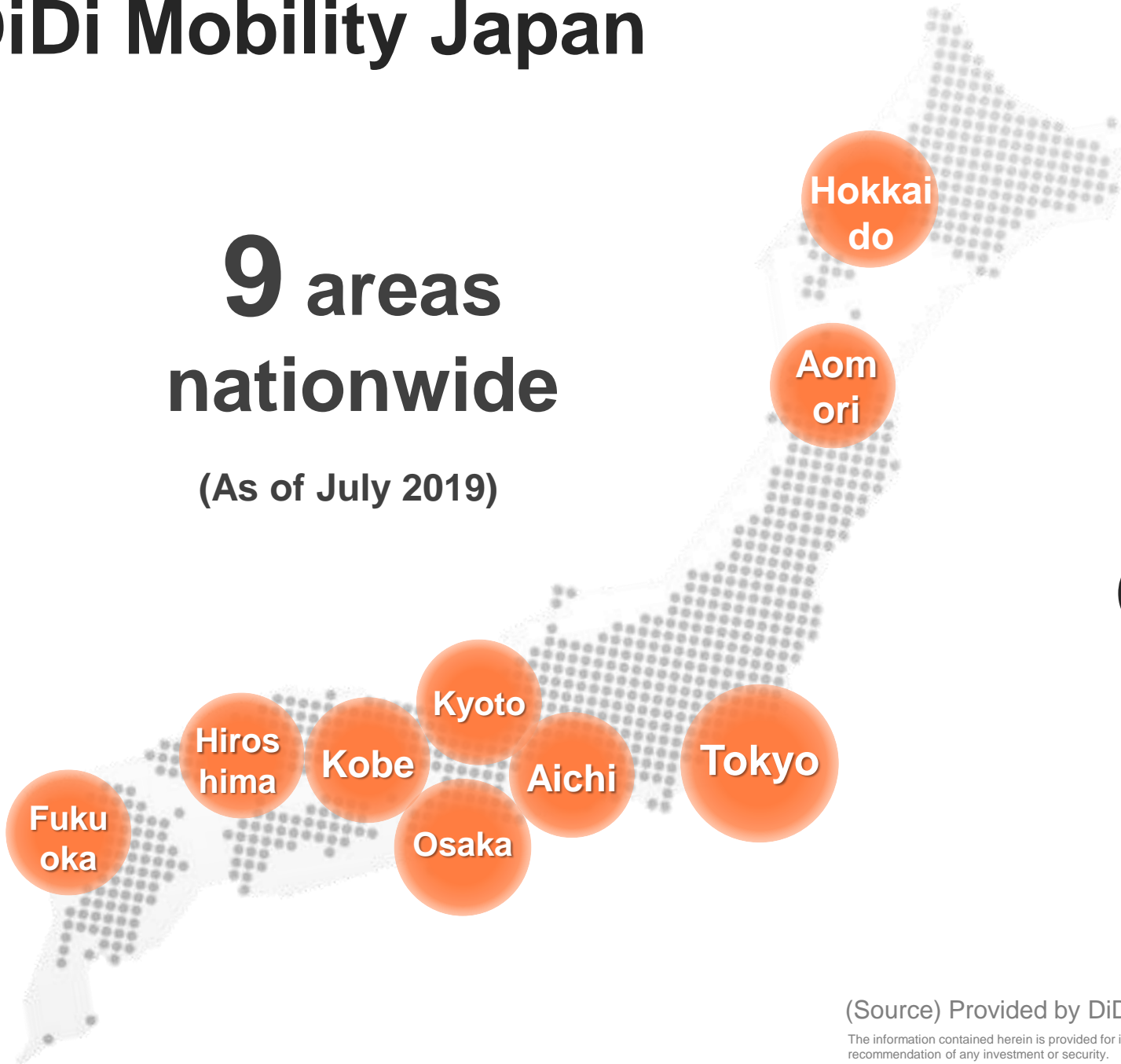
10 months since launch

(Source) AppAnnie  
(Note) Monthly number of downloads (iOS and GooglePlay in Japan) for major taxi-hailing apps, collected from Sep 1, 2018 to Jul 31, 2019

# DiDi Mobility Japan

**9 areas  
nationwide**

(As of July 2019)



**Rapid  
expansion  
of service area**

(Source) Provided by DiDi Mobility Japan

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# 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

**MONET**  
MONET TECHNOLOGIES INC.

JV

**cybereason**

JV

**J.Score**

JV

**FINDABILITY**  
SCIENCES

JV

**HAPS MOBILE**

JV

**SB Cloud**

JV

**ENCORED**

JV

**One Tap BUY**

Investment

**ZIMPERIUM**  
MOBILE THREAT DEFENSE

Investment

**TBCA Soft**

Investment

**SoftBank Robotics**

Collaboration

**Boston Dynamics**

Collaboration

# 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.

SoftBank