

Earnings Results for the Fiscal Year ended March 2006



10 May 2006

SOFTBANK CORP.

< Highlights >

- Surplus operating income on an annual basis
- Highest EBITDA ever
- Acquisition of Vodafone K.K.

Move onto a stage of improving enterprise value

Business scale after Vodafone K.K. acquisition

Sales Approx. **2.5 trillion yen**

Lines Approx. **26 million lines**

※SOFTBANK:Account settlement figures for FY2006.

Vodafone:Annualized figures in the interim result of FY2006 are used for calculation.

※Number of lines are as of the end of March 2006.

FY2006 Summary of Consolidated Earnings Results

 SoftBank

<annual>
<unit: b JPY>

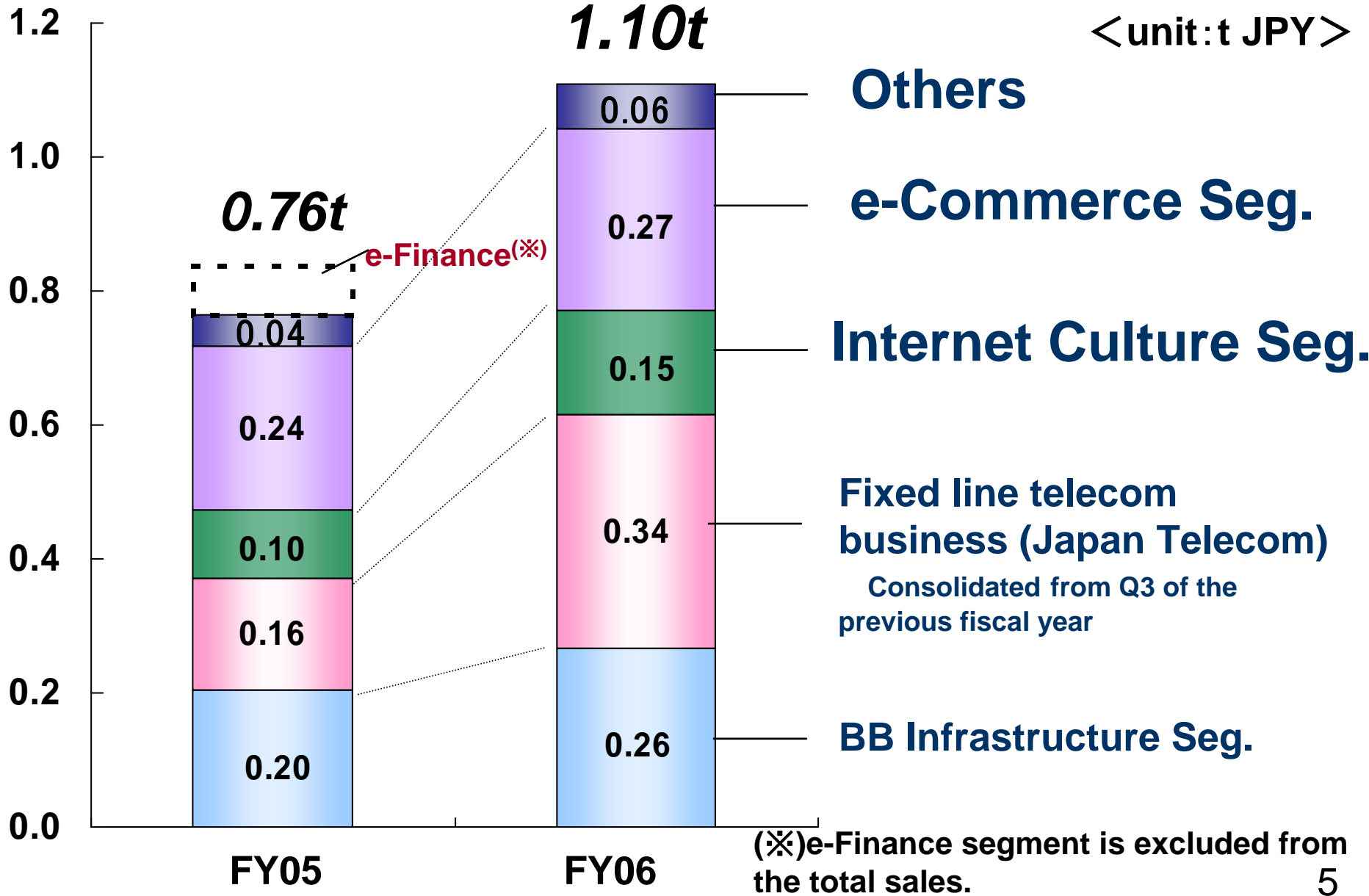
	FY06	FY05	Year on year
Net Sales	1,108.6	837.0	+271.6
EBITDA	149.9	44.0	+105.8
Operating income	62.2	(25.3)	+87.6
Ordinary income	27.4	(45.2)	+72.7
Income before income taxes and minority interest	129.4	(9.5)	+139.0
Net income	57.5	(59.8)	+117.4

Consolidated Net Sales

 SoftBank

<annual>

<unit:t JPY>

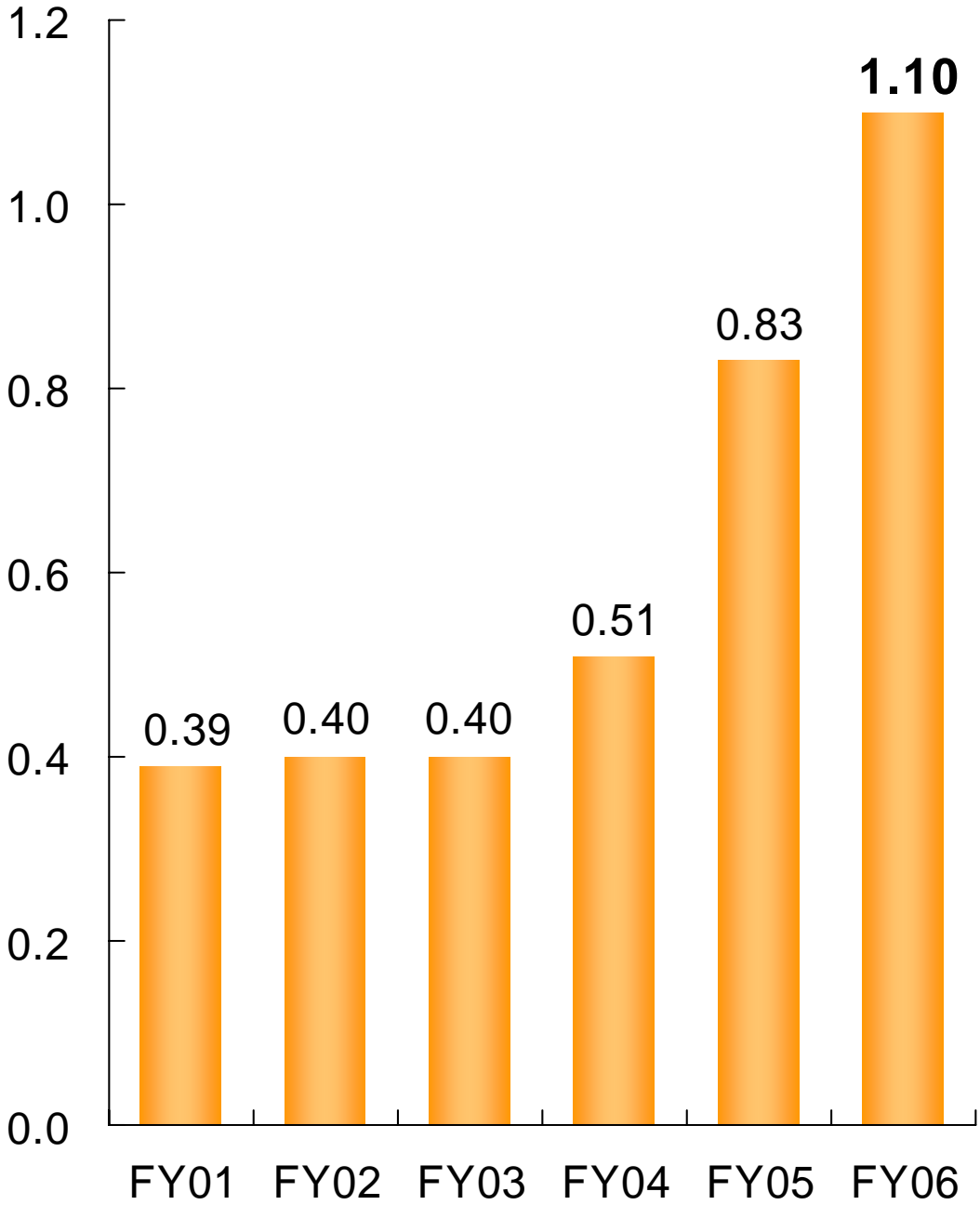


Consolidated Net Sales

 SoftBank

<annual>

<unit:t JPY>



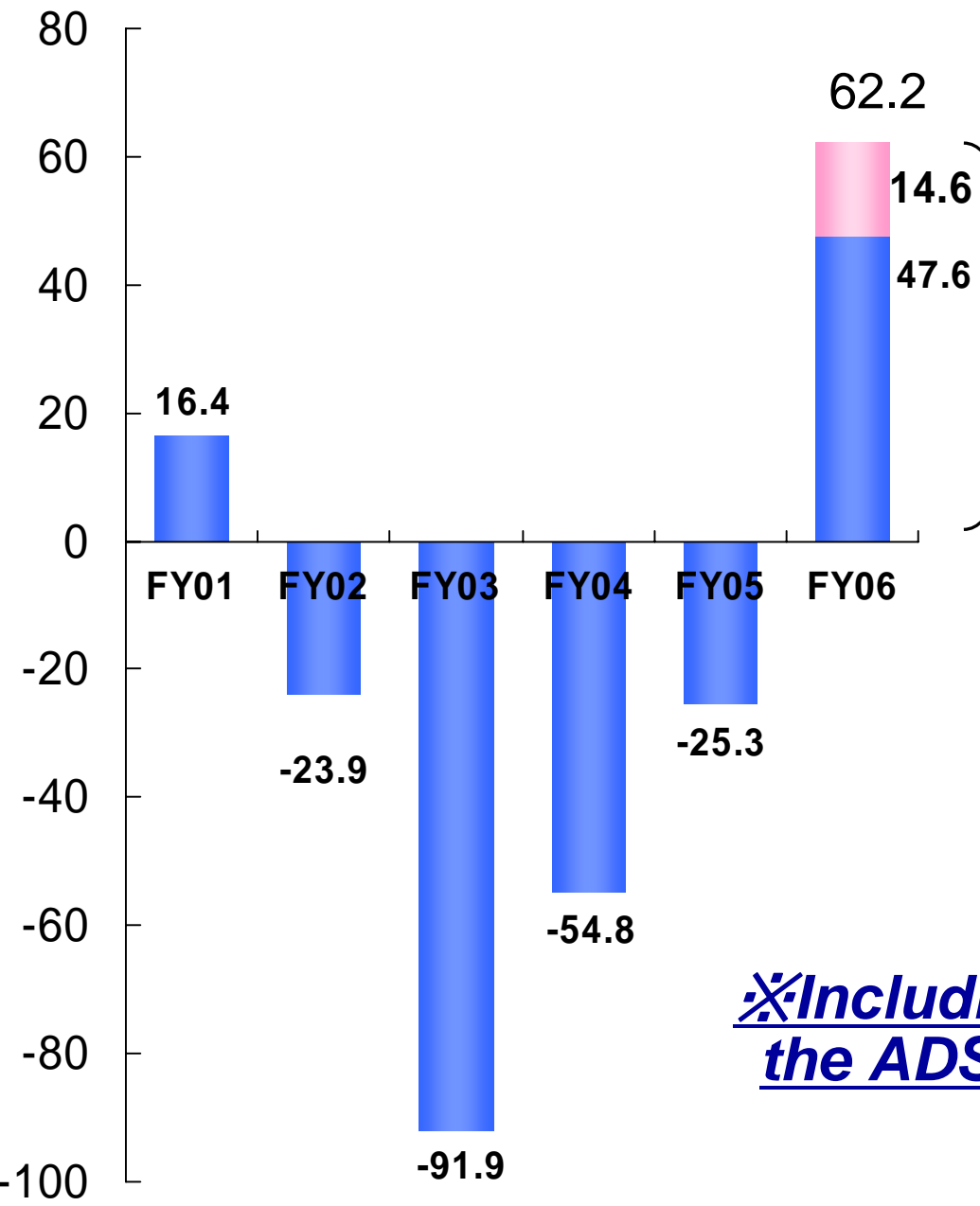
FY06 1.1t JPY



Largest ever

Consolidated Operating Income

SoftBank
<annual>
<unit: b JPY>



FY06 62.2b JPY



Largest ever

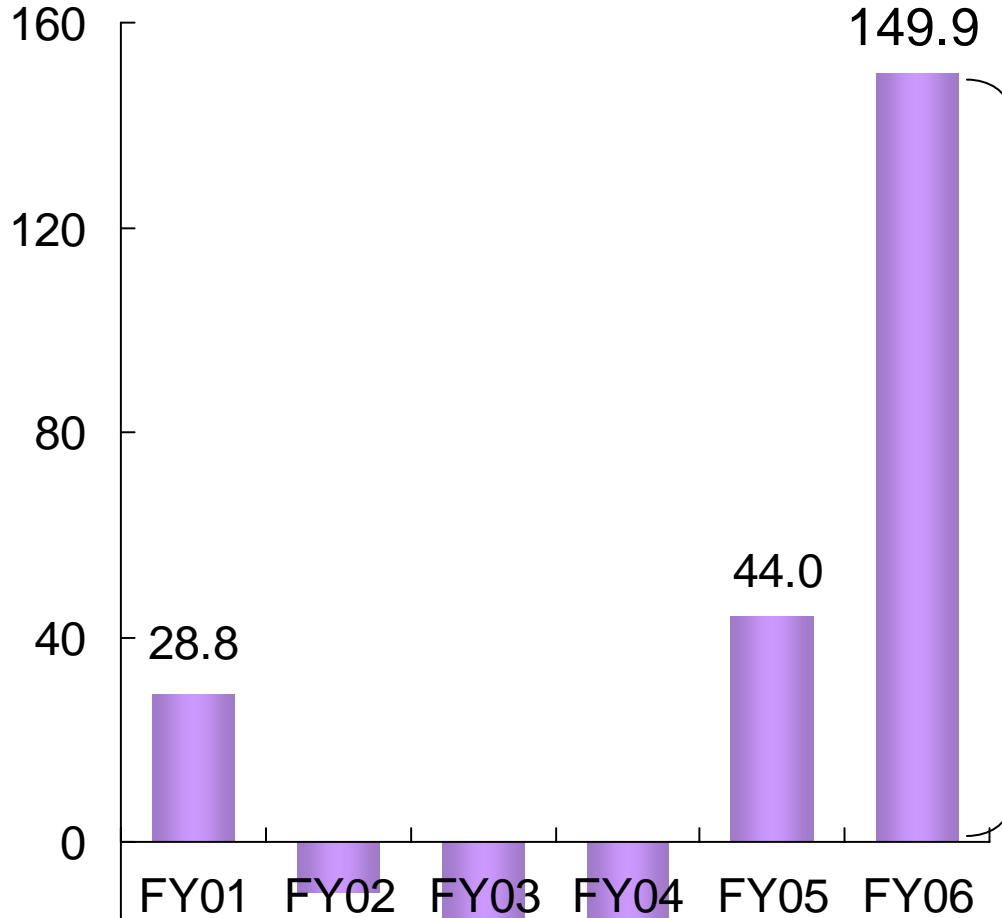
~~✗~~ Including the impact of the sale of the ADSL modem rental business: 14.6b JPY

Consolidated EBITDA

 SoftBank

<annual>

<unit: b JPY>



FY06: 149.9b JPY



Largest ever

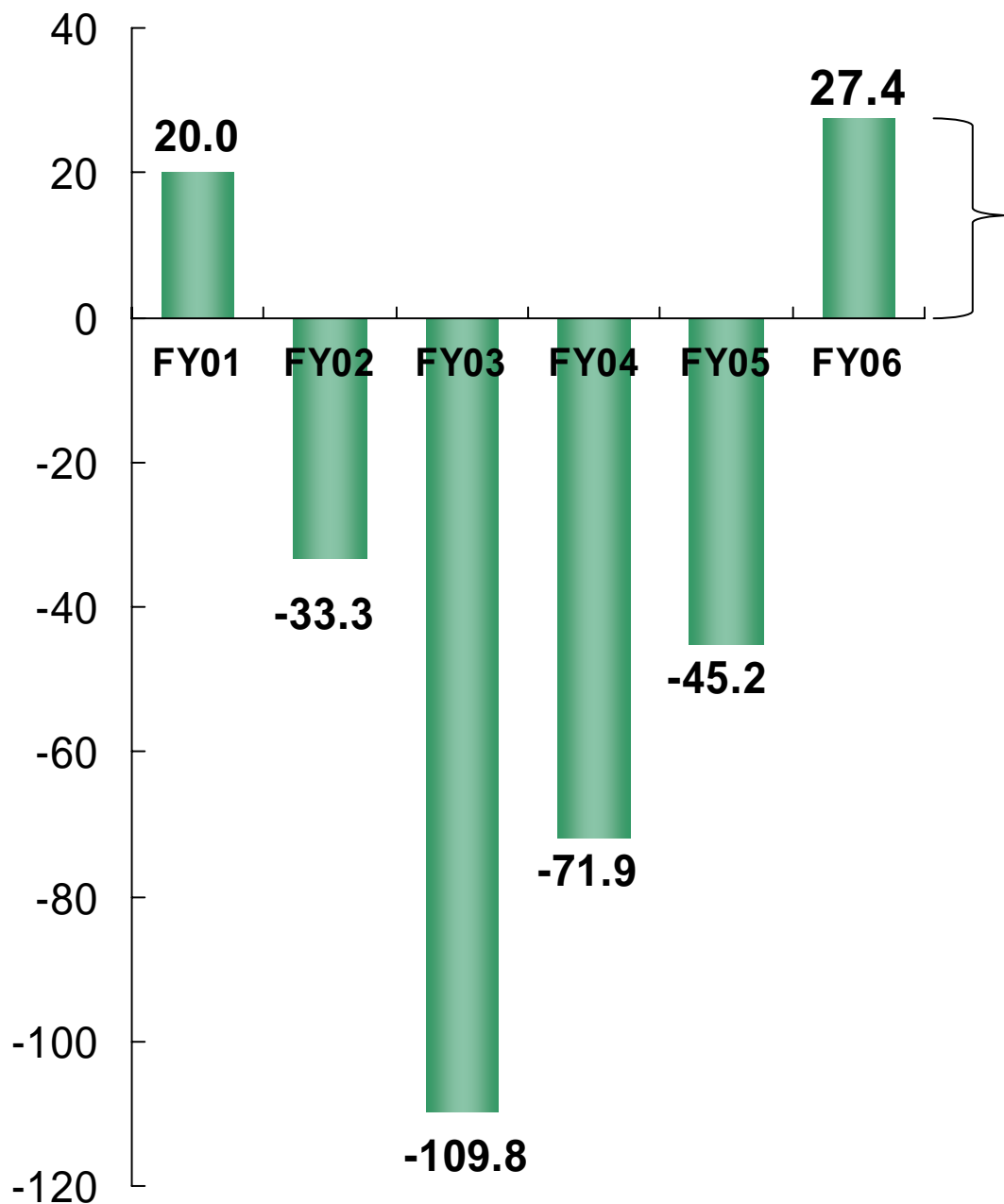
(EBITDA: Operating Income (Loss) + Depreciation and Amortization)

Consolidated Ordinary Income

SoftBank

<annual>

<unit: b JPY>



FY06: 27.4b JPY



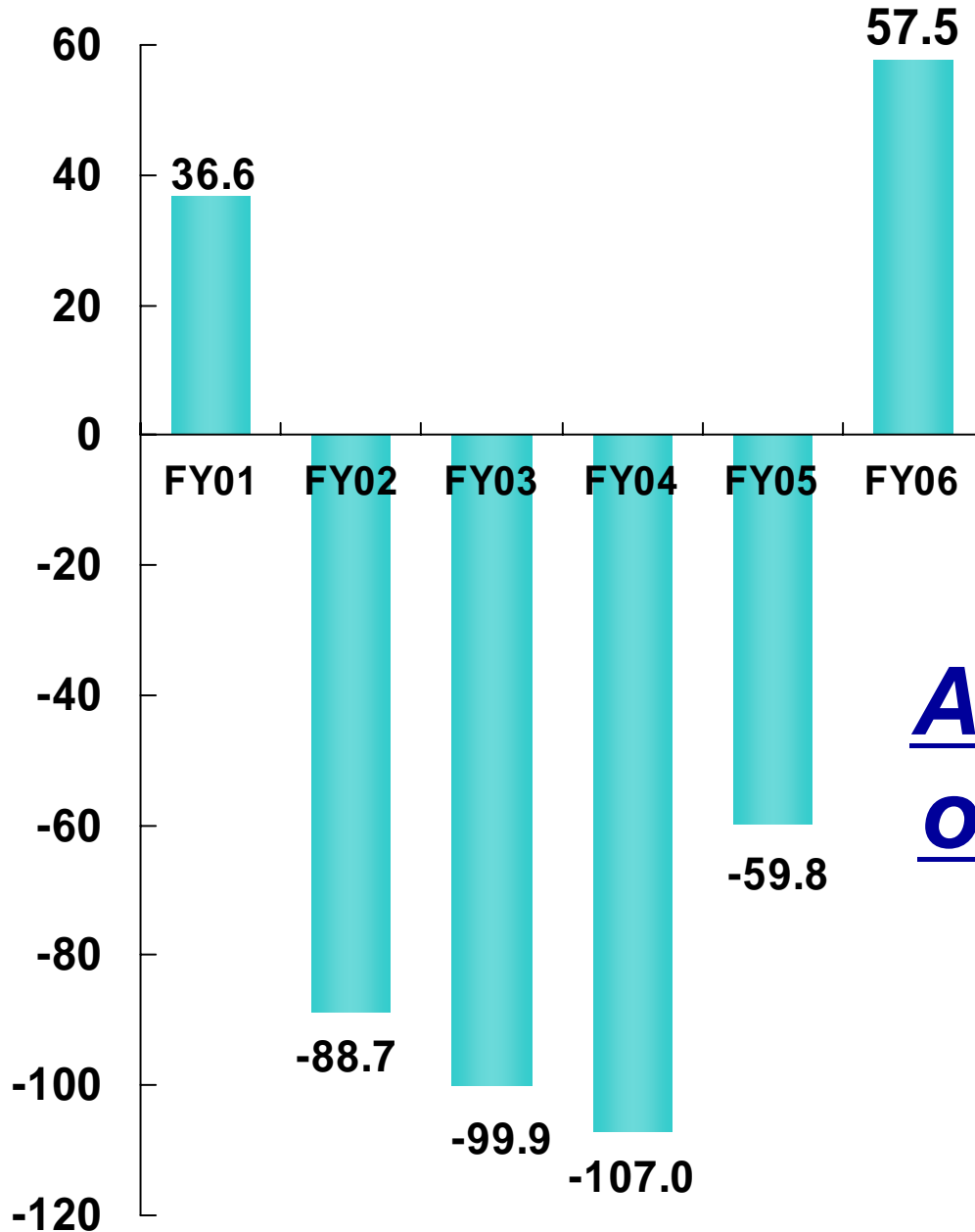
Largest scale
ever

Consolidated Net Income

SoftBank

<annual>

<unit: b JPY >



FY06: 57.5b JPY

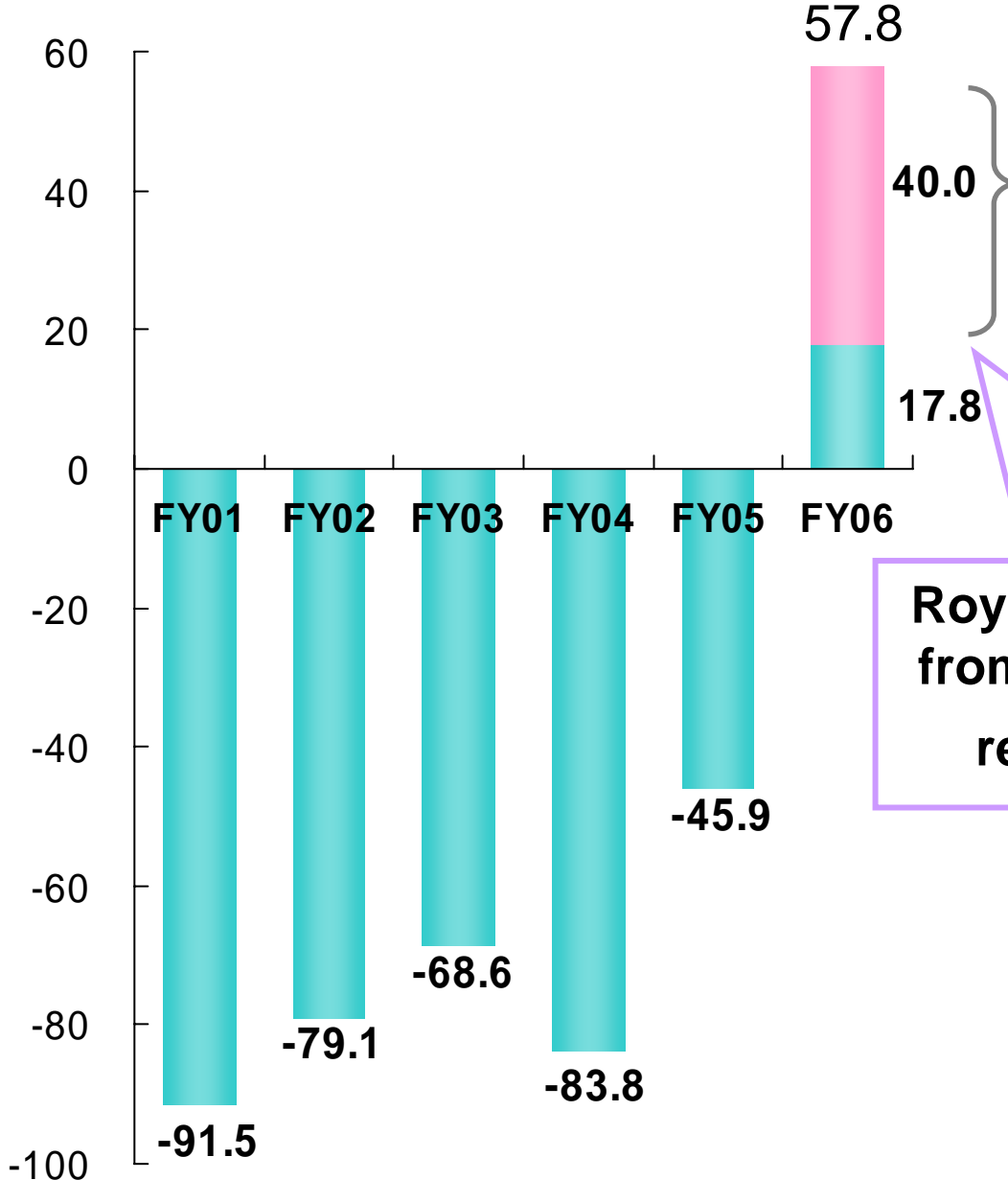
Largest ever -
Achieved a surplus
on an annual basis

Consolidated Operating CF

 SoftBank

<annual>

<unit: b JPY>



FY06 57.8b JPY

Royalty payment made in advance from the sale of the ADSL modem rental business : **40b JPY**

FY2006/Q4 Consolidated Earnings Results

FY06/Q4 Summary of Consolidated Earnings SoftBank

Results

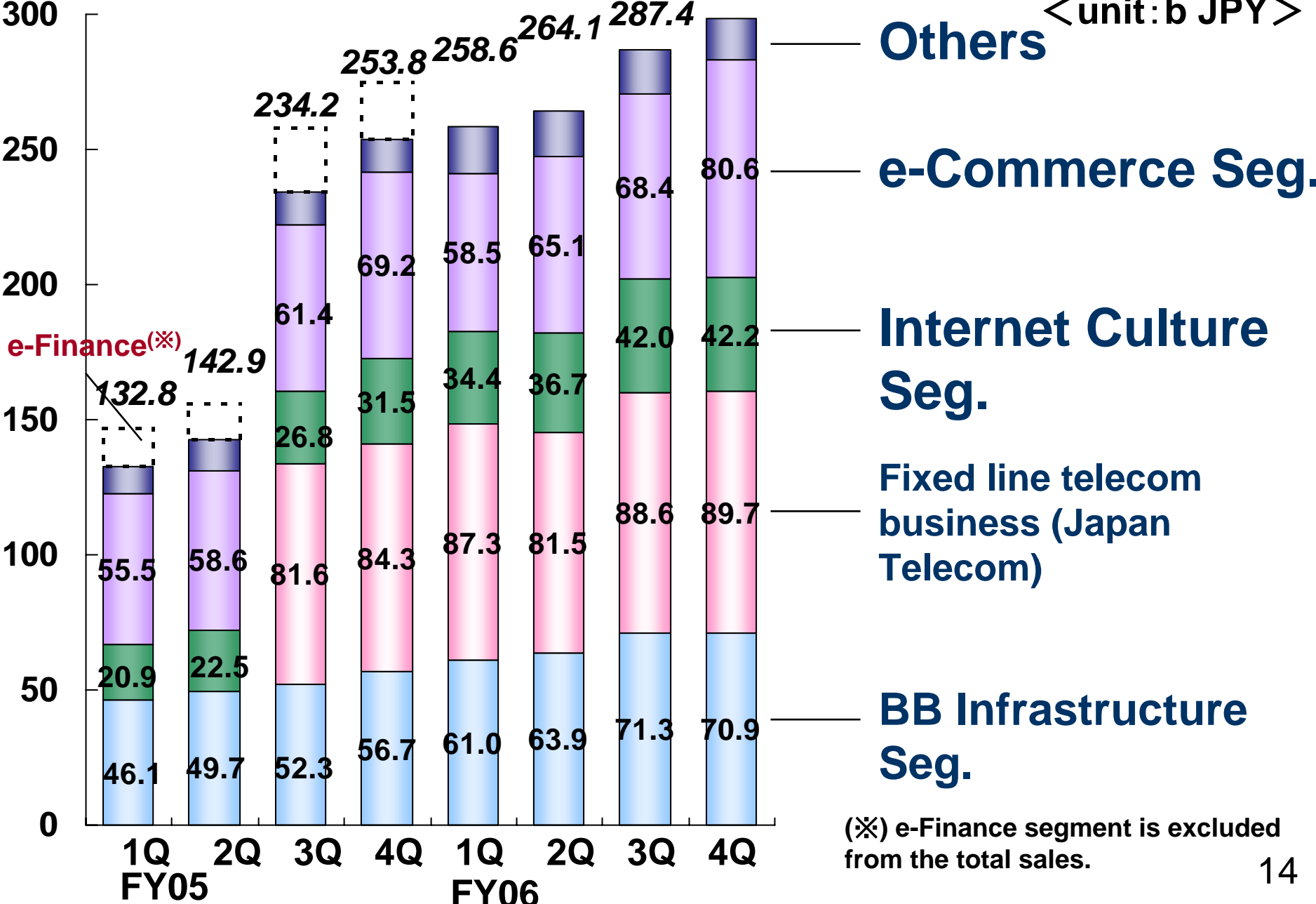
<unit:b JPY>

	< Q4 >		
	Q4/FY06 (Jan – Mar 06)	Q4/FY05 (Jan – Mar 05)	Year on year
Net Sales	298.4	275.2	+23.1
EBITDA	54.9	16.2	+38.7
Operating income	34.3	(11.0)	+45.4
Ordinary income	29.7	(11.3)	+41.0
Income before income taxes and minority interest	43.8	(13.5)	+57.4
Net income	39.7	(27.2)	+66.9

Consolidated Net Sales (Quarterly)

SoftBank

<unit: b JPY>

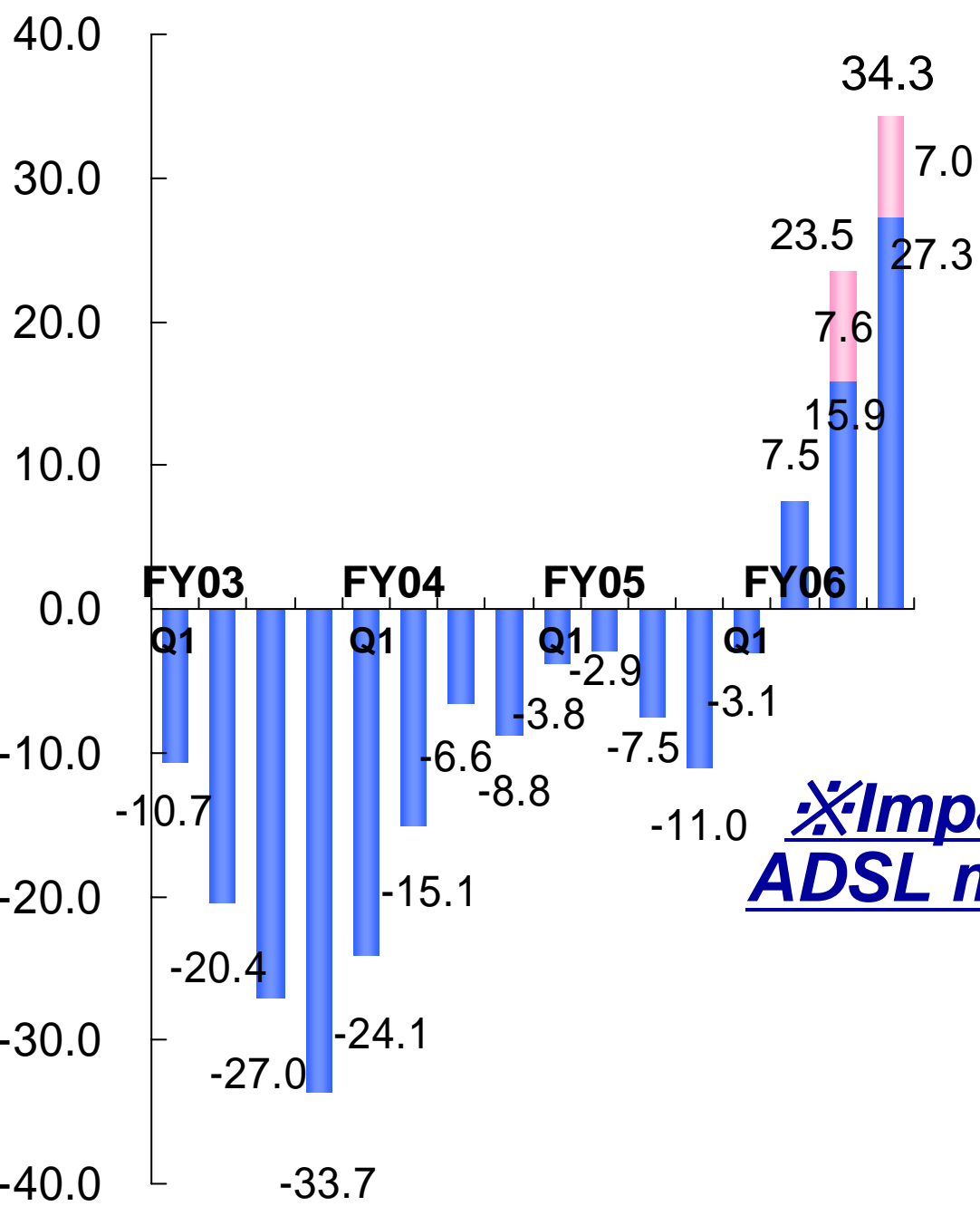


(※) e-Finance segment is excluded from the total sales.

Consolidated Operating Income (Quarterly)

SoftBank

<unit: b JPY>



Q4/FY06 34.3b JPY

~~Impact of the sales of the ADSL modem rental business~~

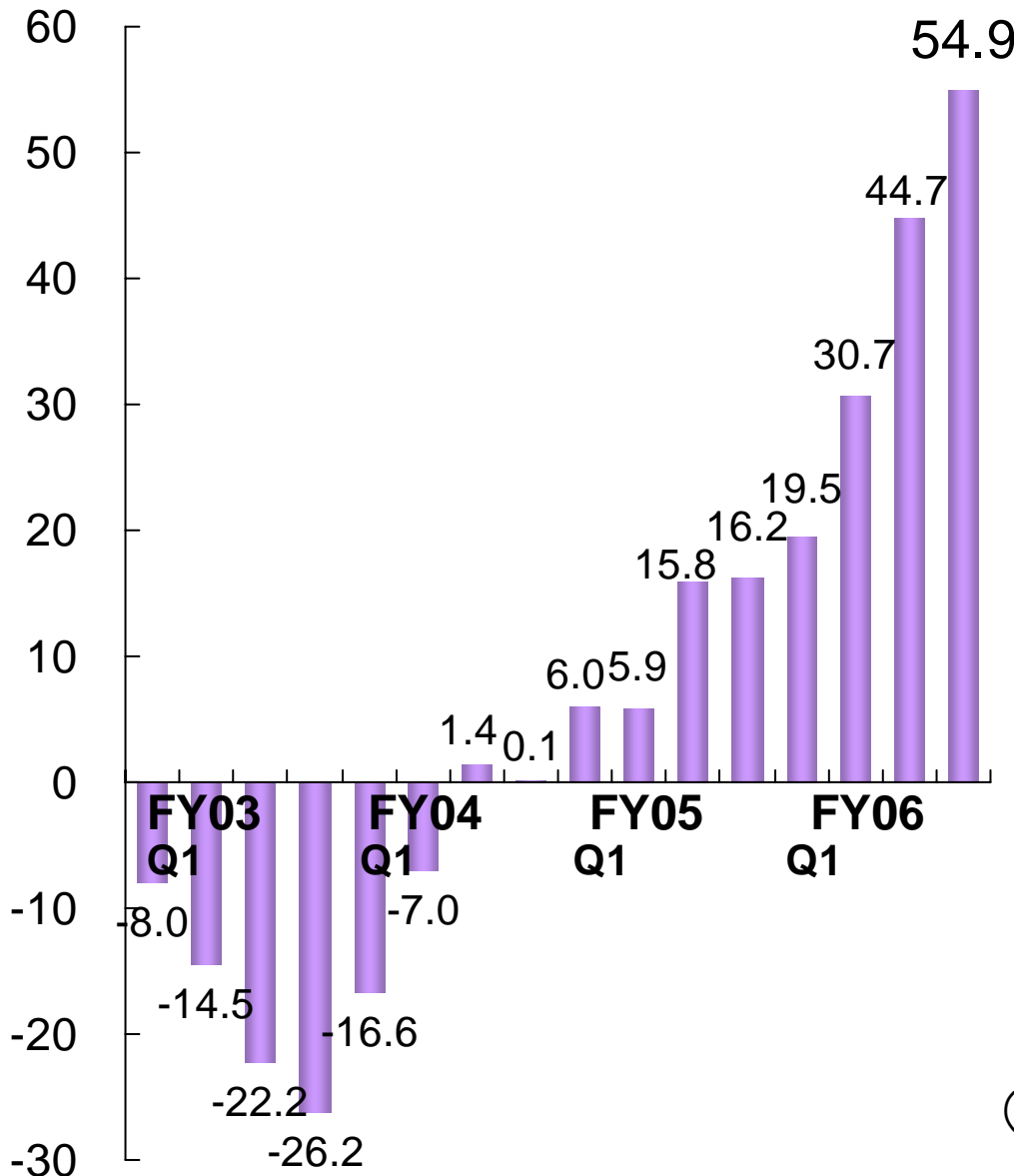
Q4: 7.0b JPY

Q3: 7.6b JPY

Consolidated EBITDA (Quarterly)

SoftBank

<unit: b JPY >



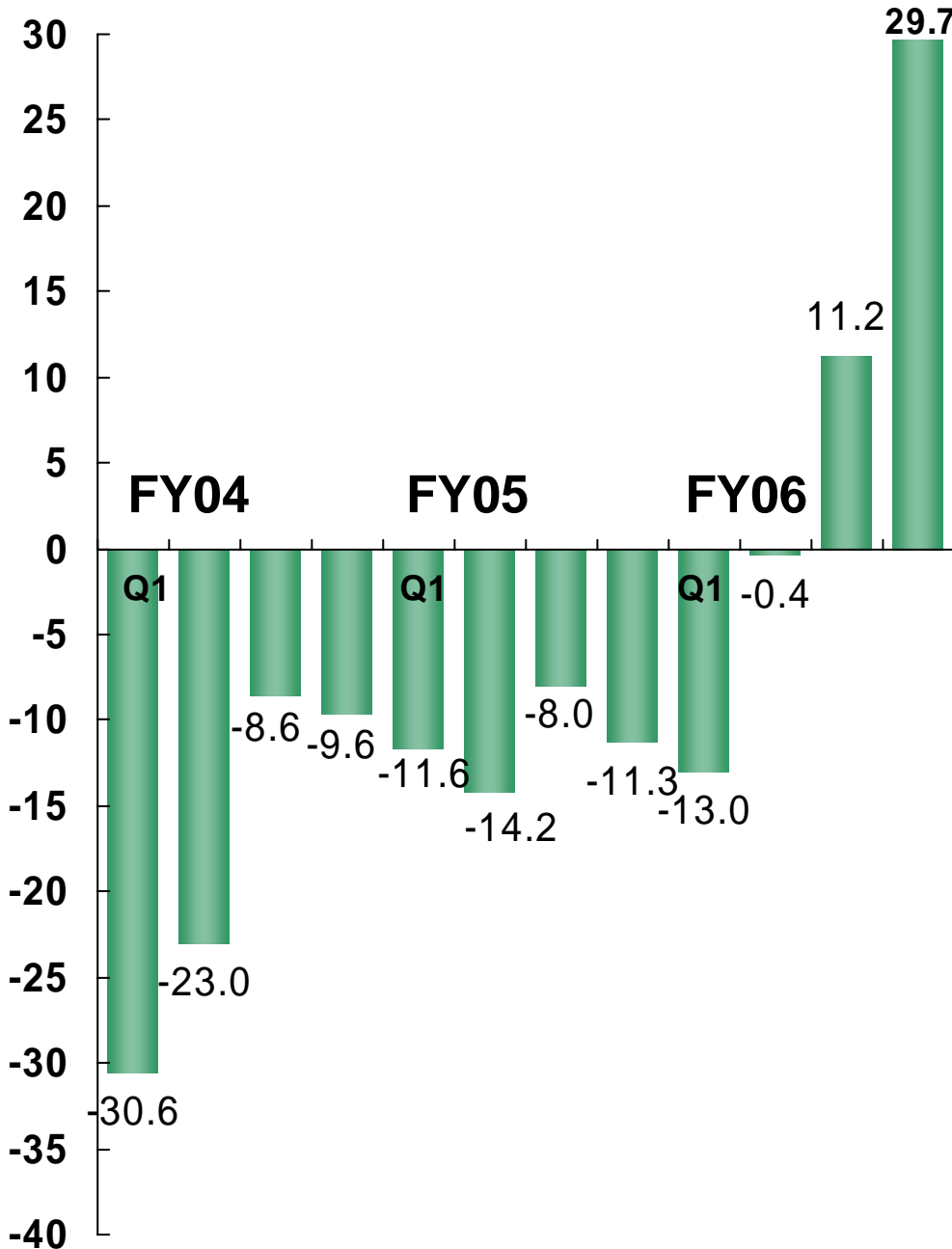
Q4/FY06 54.9b JPY

Increased
Significantly
(approximately triple on a yoy basis)

(EBITDA: Operating Income (Loss) + Depreciation and Amortization)

Consolidated Ordinary Income (Quarterly)

SoftBank
<unit: b JPY >

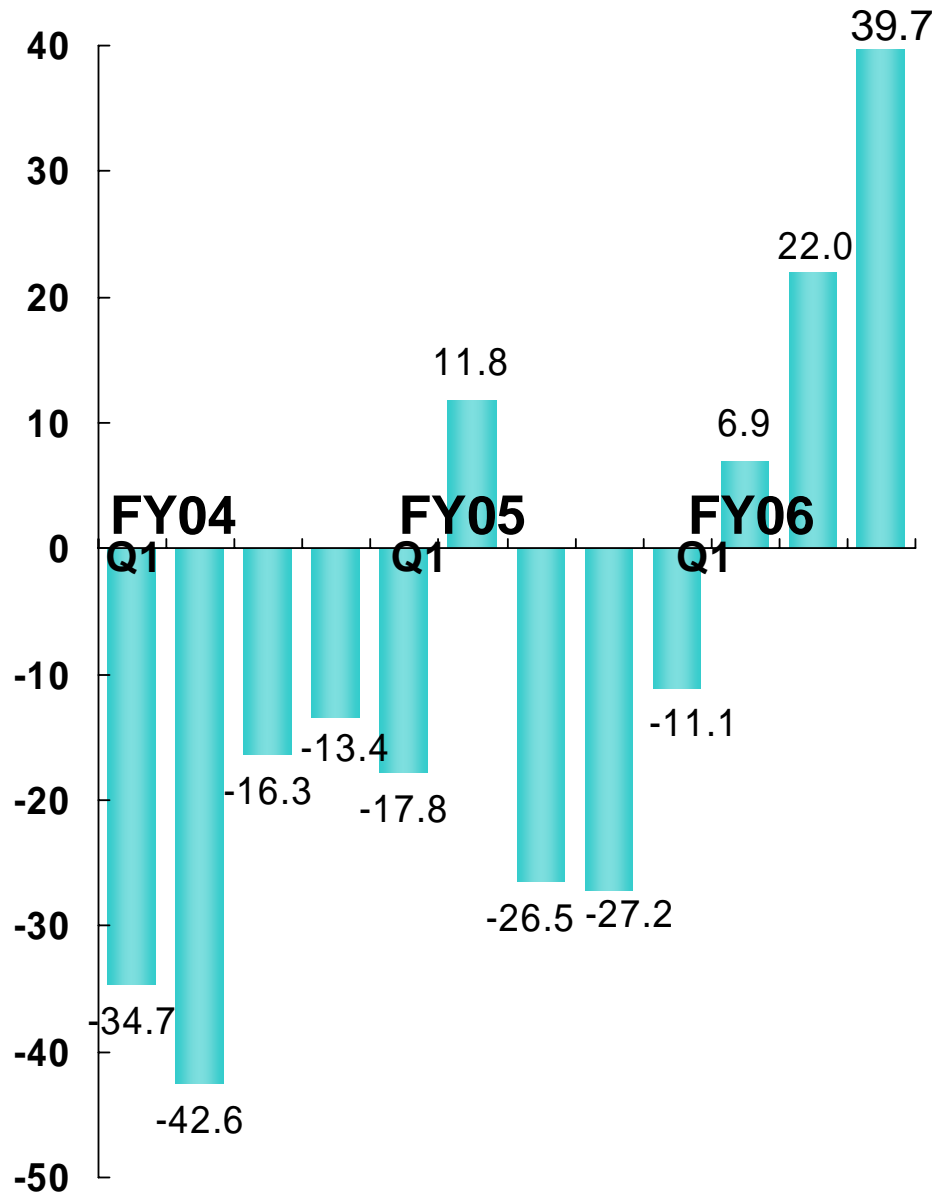


Q4/FY06 29.7b JPY

Quarterly surplus
increased

Consolidated Net Income (Quarterly)

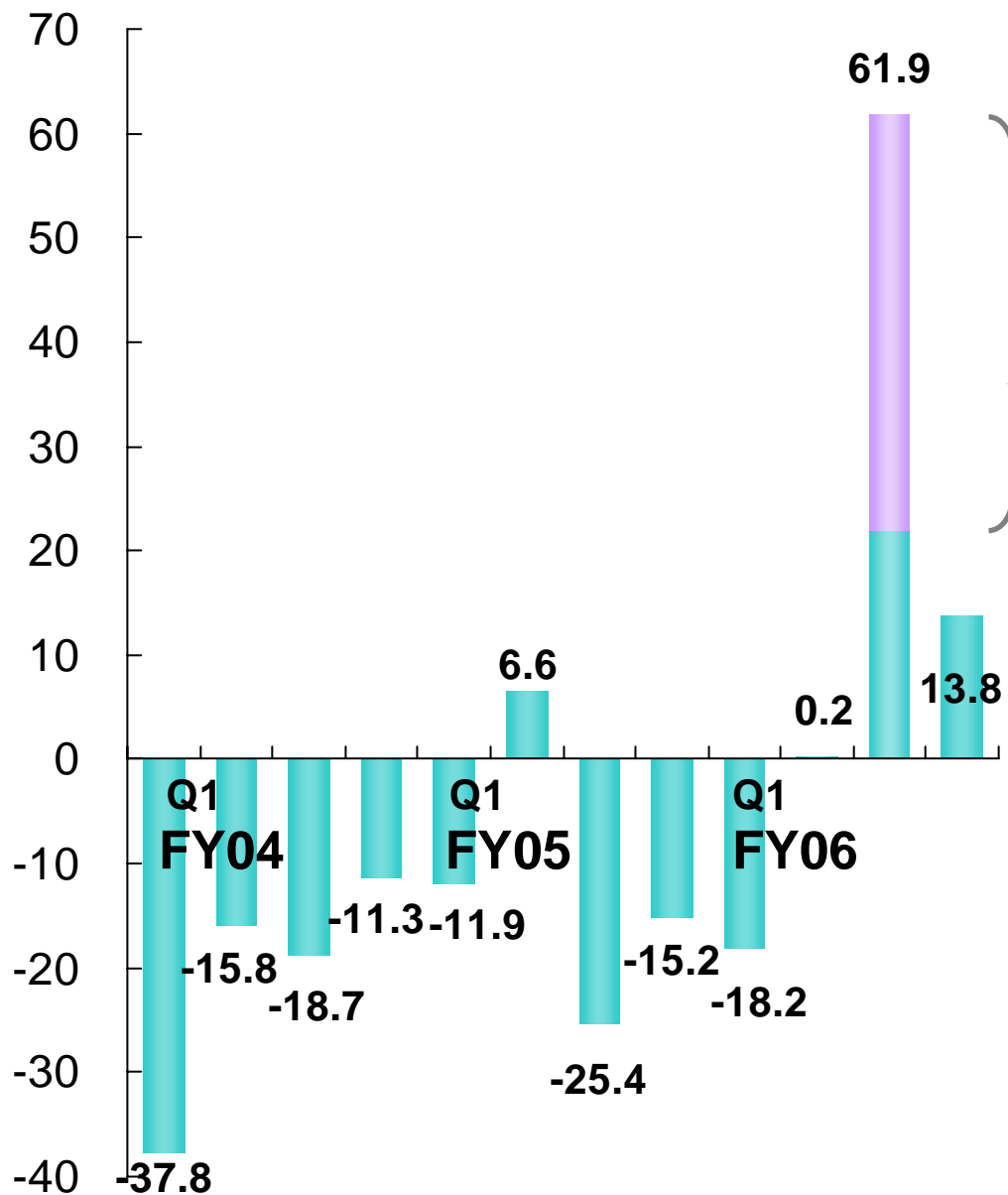
SoftBank
<unit: b JPY >



Q4/FY06 39.7b JPY

Consolidated Operating CF (Quarterly) SoftBank

<unit: b JPY >

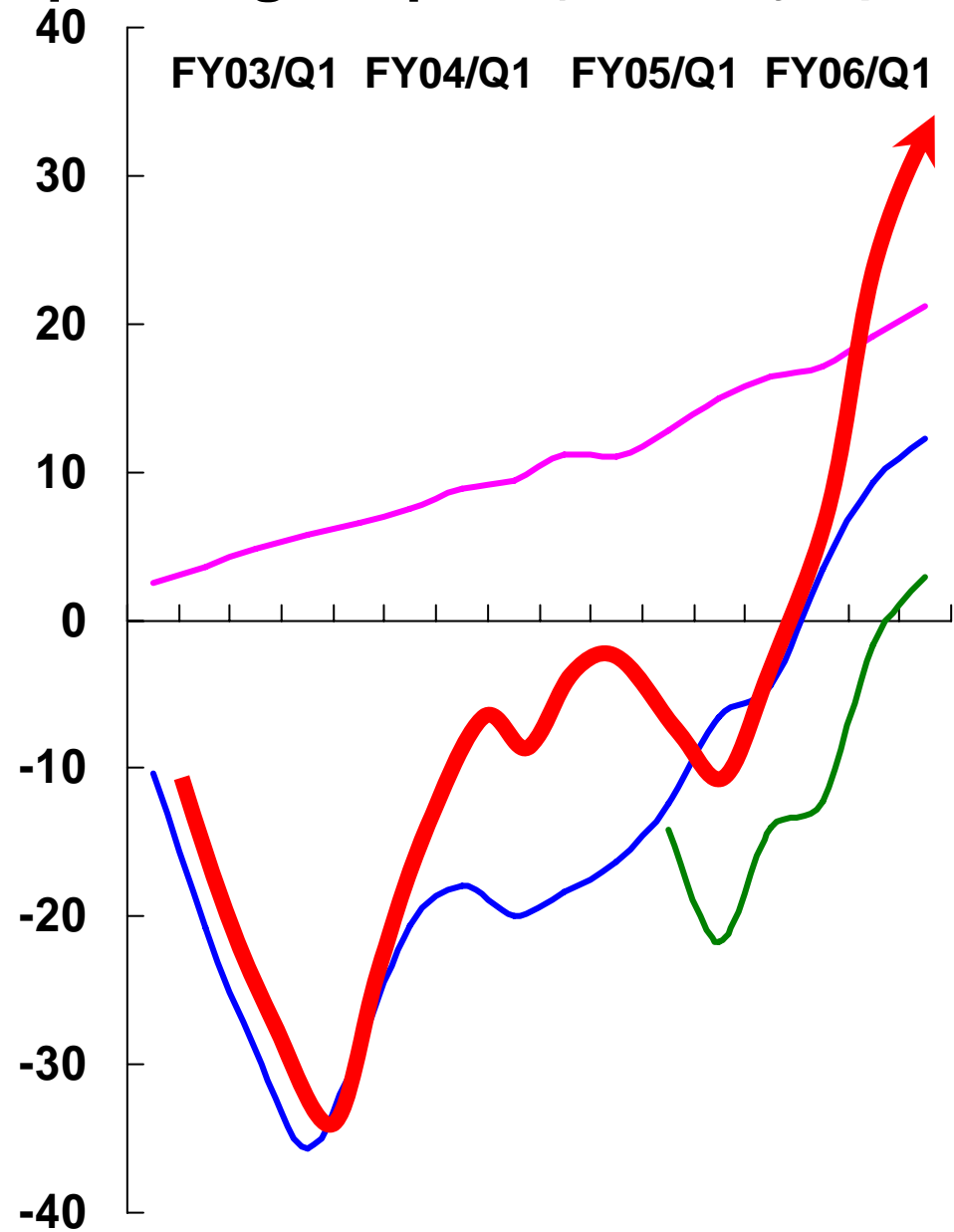


Q4/FY06 13.8b JPY

Royalty payment made in advance from the sale of the ADSL modem rental business : **40b JPY**

<Quarterly>
<unit: b JPY >

Key Drivers for Achieving Consolidated Operating Surplus (Quarterly Operating Income by Segment)



Consolidated operating income

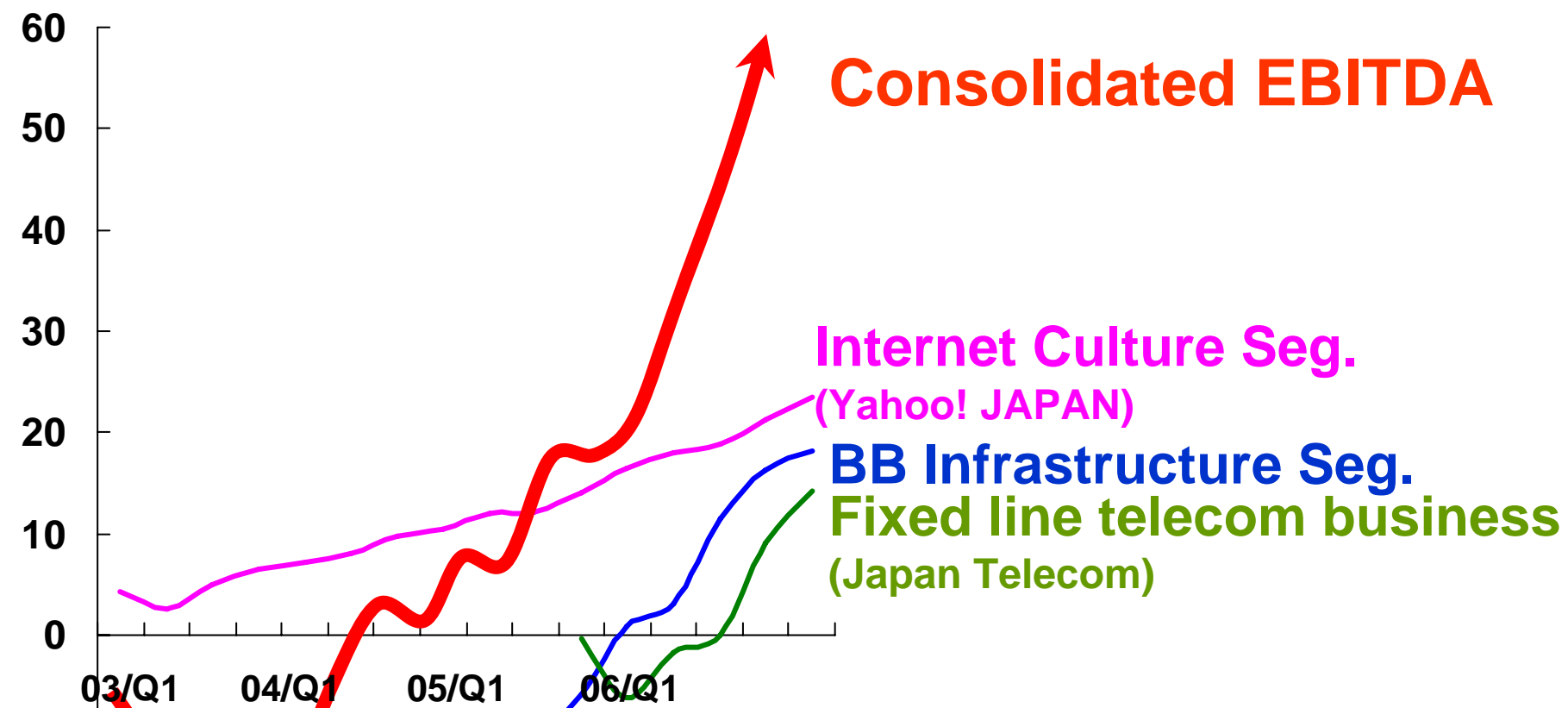
Internet Culture Seg. (Yahoo! JAPAN)

BB business

Fixed line telecom business (Japan Telecom)

Achieved quarterly surplus in all key business segments

Key Drivers for Significant Surplus of Consolidated EBITDA (Quarterly EBITDA by Segment)

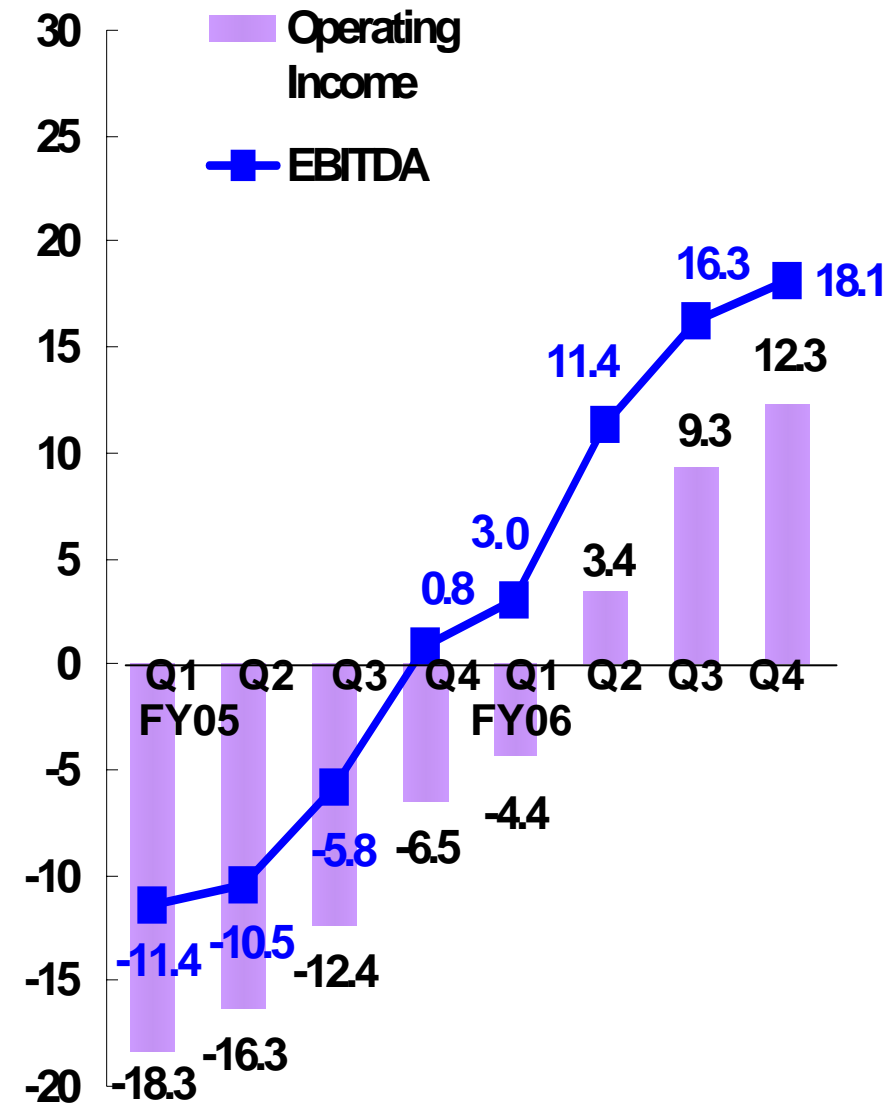


Significantly improved
in all major segments

Operating Income/EBITDA by Segment (Quarterly) SoftBank

BB Infrastructure Business

<unit: b JPY >

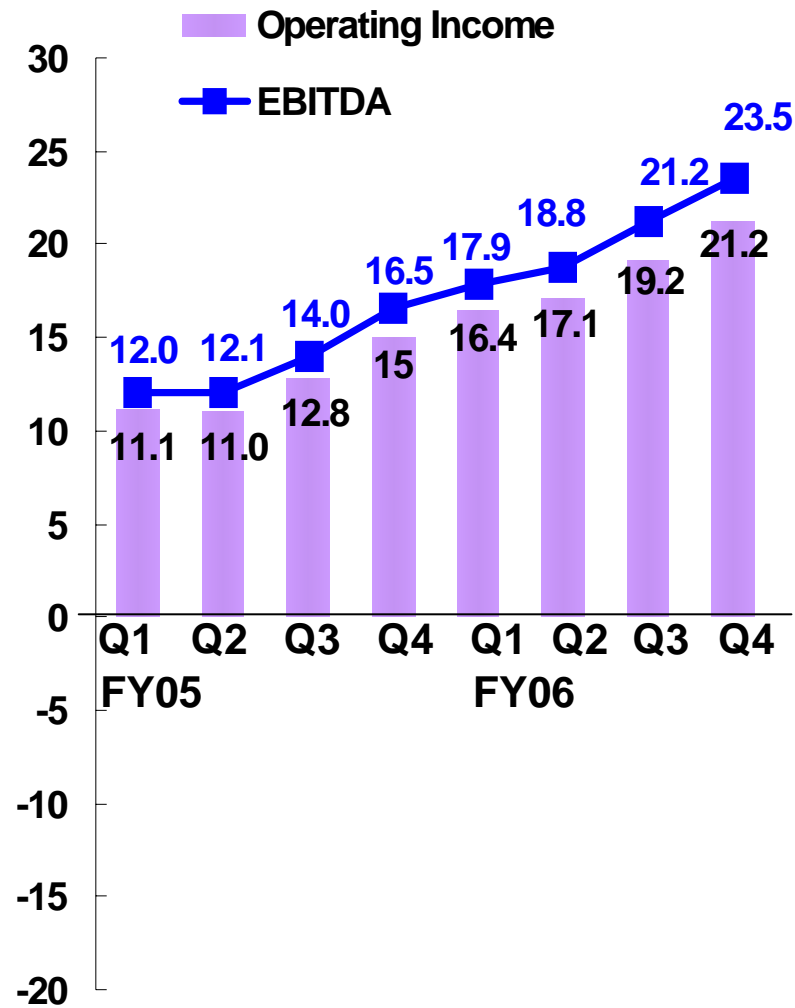


Q4/FY06
Operating Income : 12.3b JPY
EBITDA : 18.1b JPY

number of ADSL lines :
5.049m lines
 (March end)

Operating Income/EBITDA by Segment (Quarterly) Internet Culture Business (Yahoo! JAPAN)

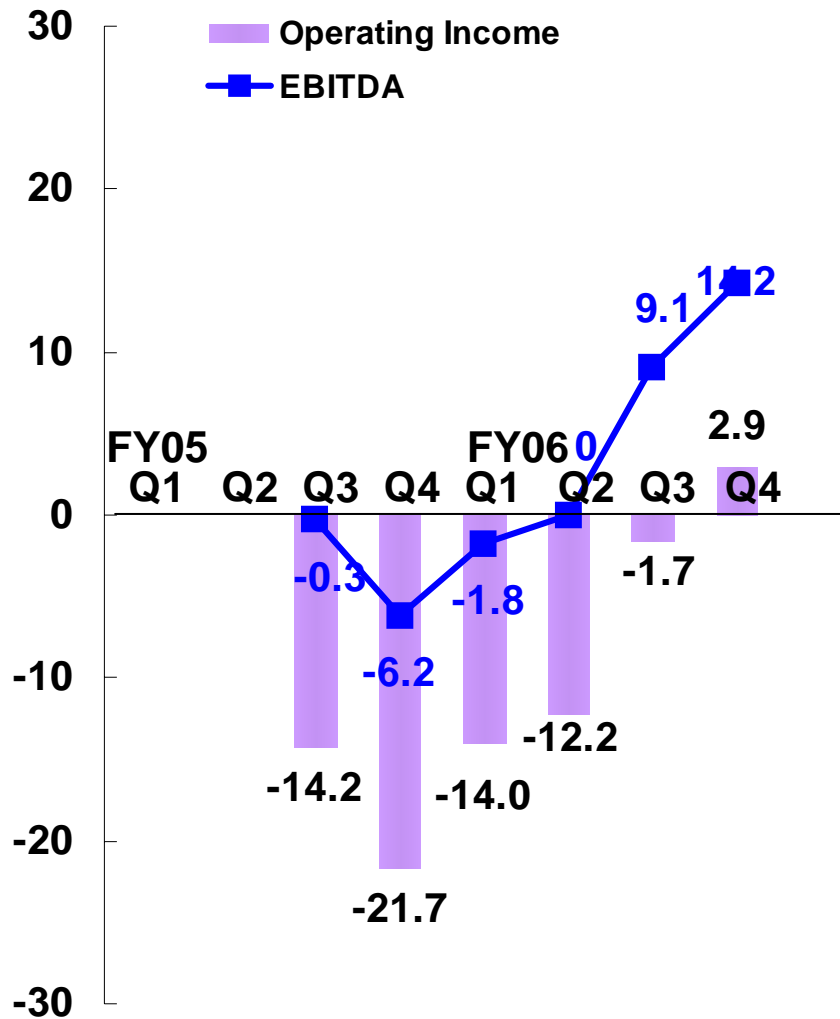
<unit: b JPY>



Q4/FY06
Operating Income : 21.2b JPY
EBITDA : 23.5b JPY

Operating Income/EBITDA by Segment (Quarterly) SoftBank Fixed Line Telecom Business (Japan Telecom)

<unit: b JPY>



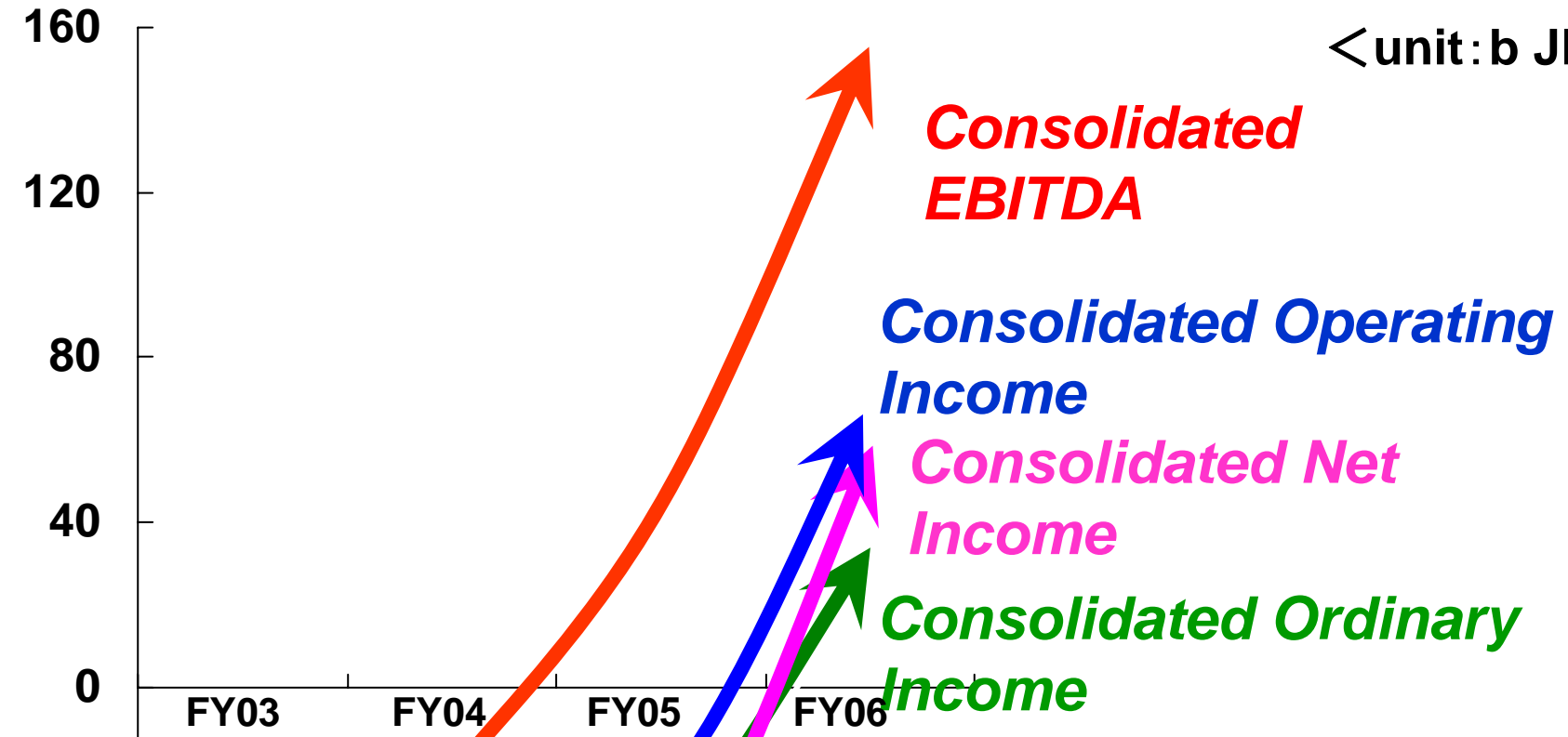
Q4/FY06
Operating Income : 2.9b JPY
EBITDA : 14.2b JPY

Operating income
turned positive.
EBITDA surplus grew.

number of Otoku-line lines:
848k lines (March end)

Trend of Annual Consolidated Earnings Results SoftBank

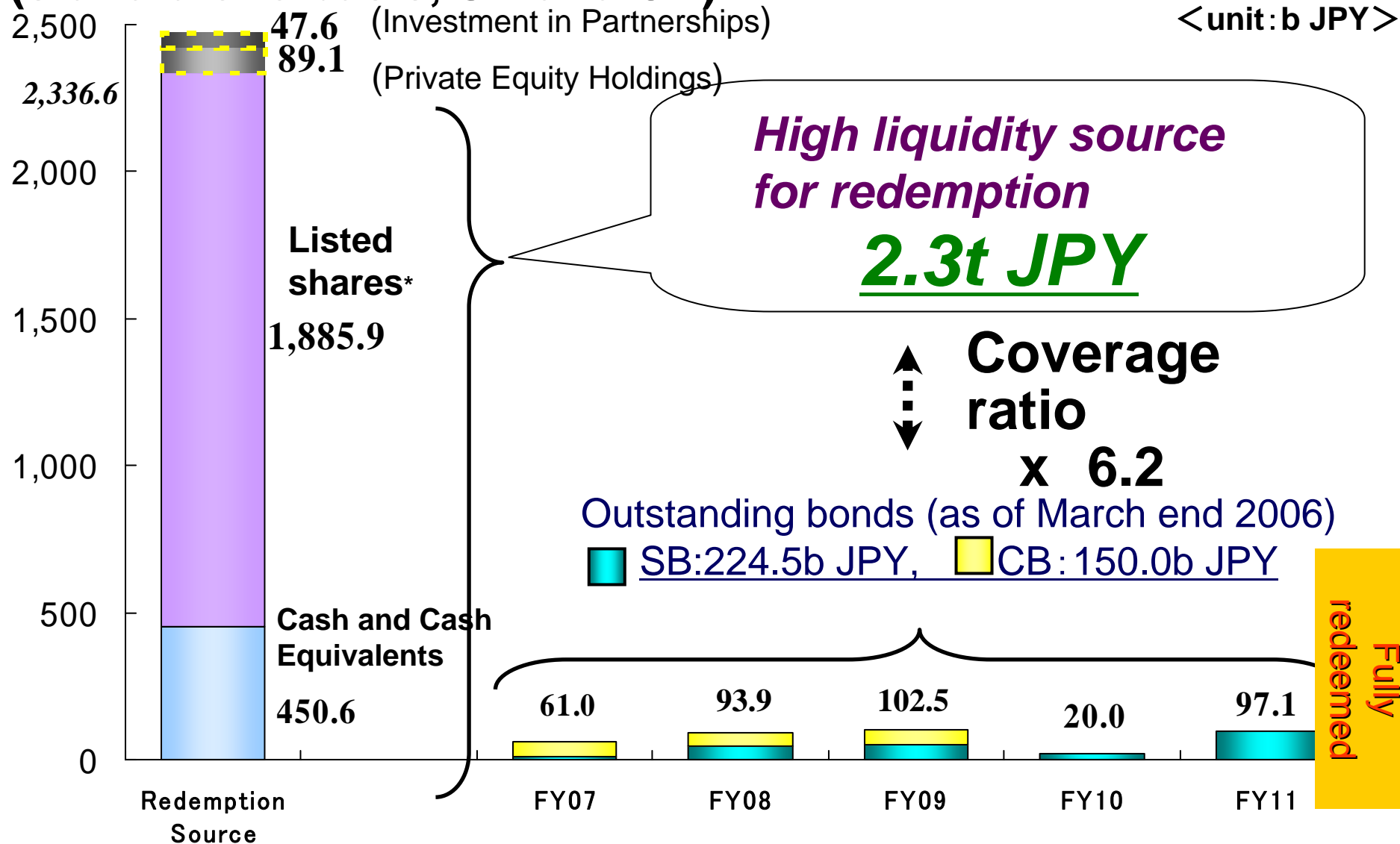
<unit: b JPY>



Bond Redemption Schedule

(stand-alone basis, SB and CB)

<unit: b JPY>

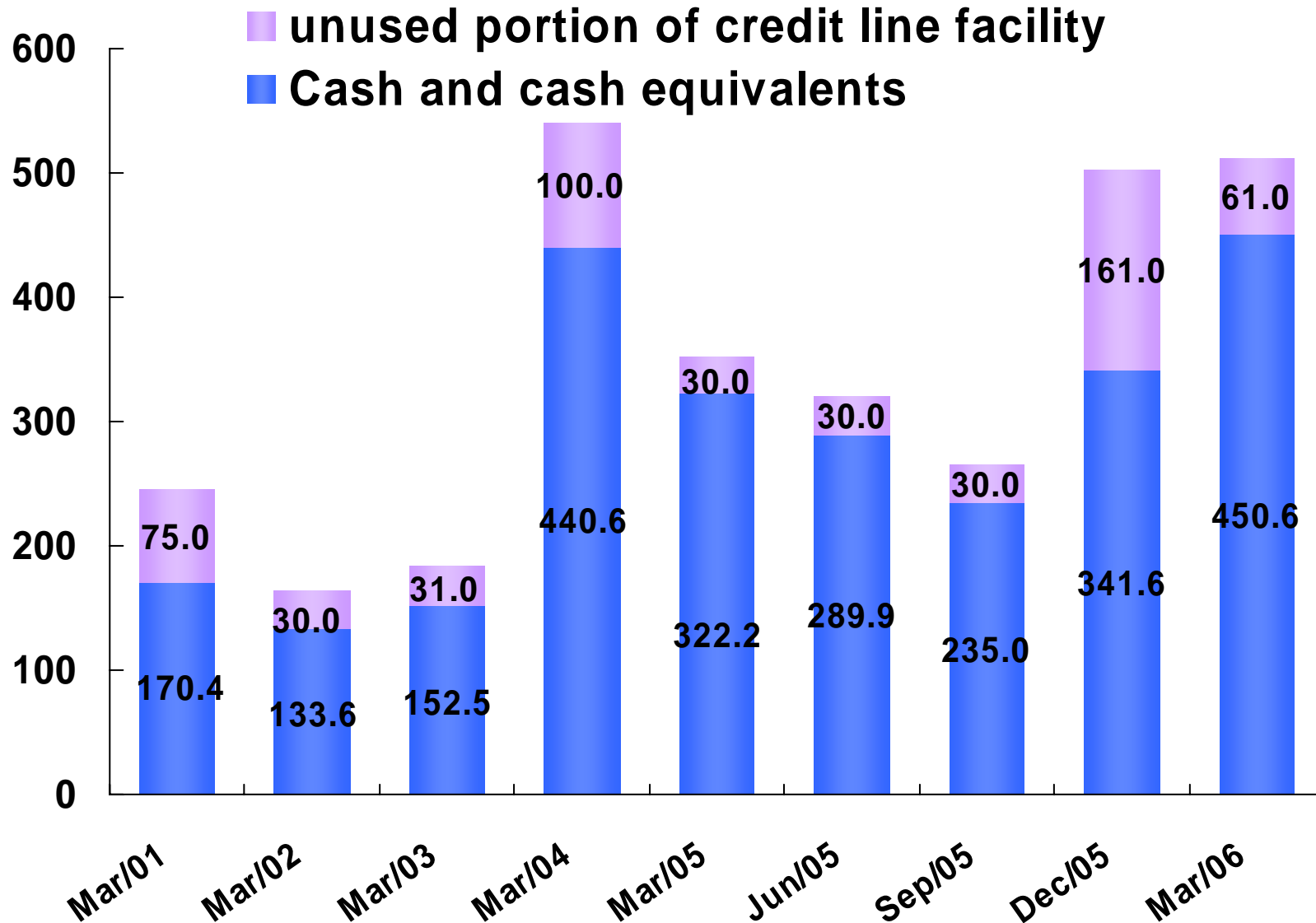


*Figures for cash and cash equivalents, investment in partnerships, private equity holdings are as of the end of March, 2006. Market cap. of listed shares is as of May 9, 2006. Amount of outstanding bonds includes outstanding CBs. Put options attached to three tranches of CBs (¥50bil. each), issued in December 2003, are assumed to be exercised on March 31, 2007, March 31, 2008 and March 31, 2009, respectively.
*excluding Market Cap. of collateralized shares and others.

Cash Position

 SoftBank

<unit: b JPY >

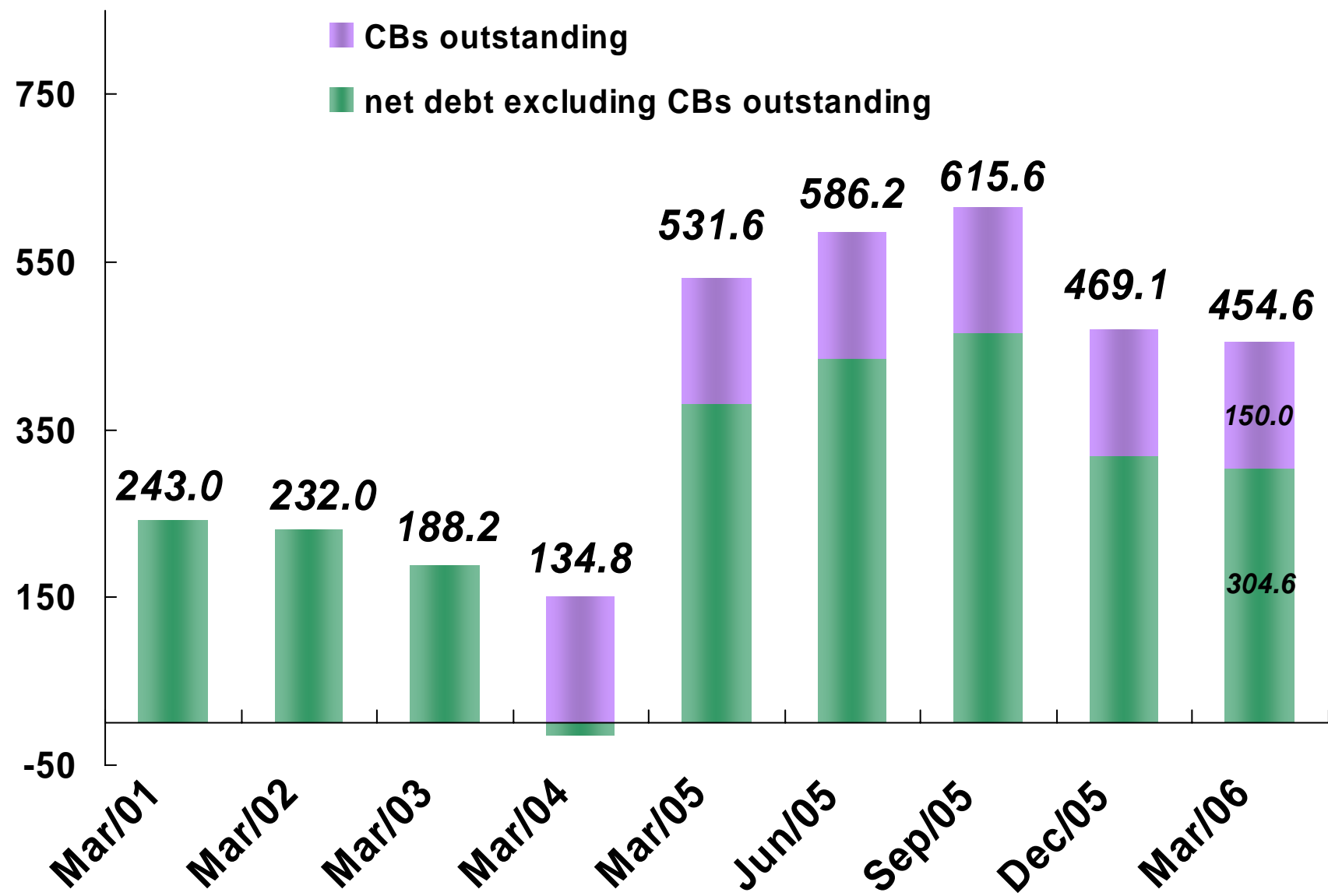


Net Debt



<unit: b JPY >

■ CBs outstanding
■ net debt excluding CBs outstanding



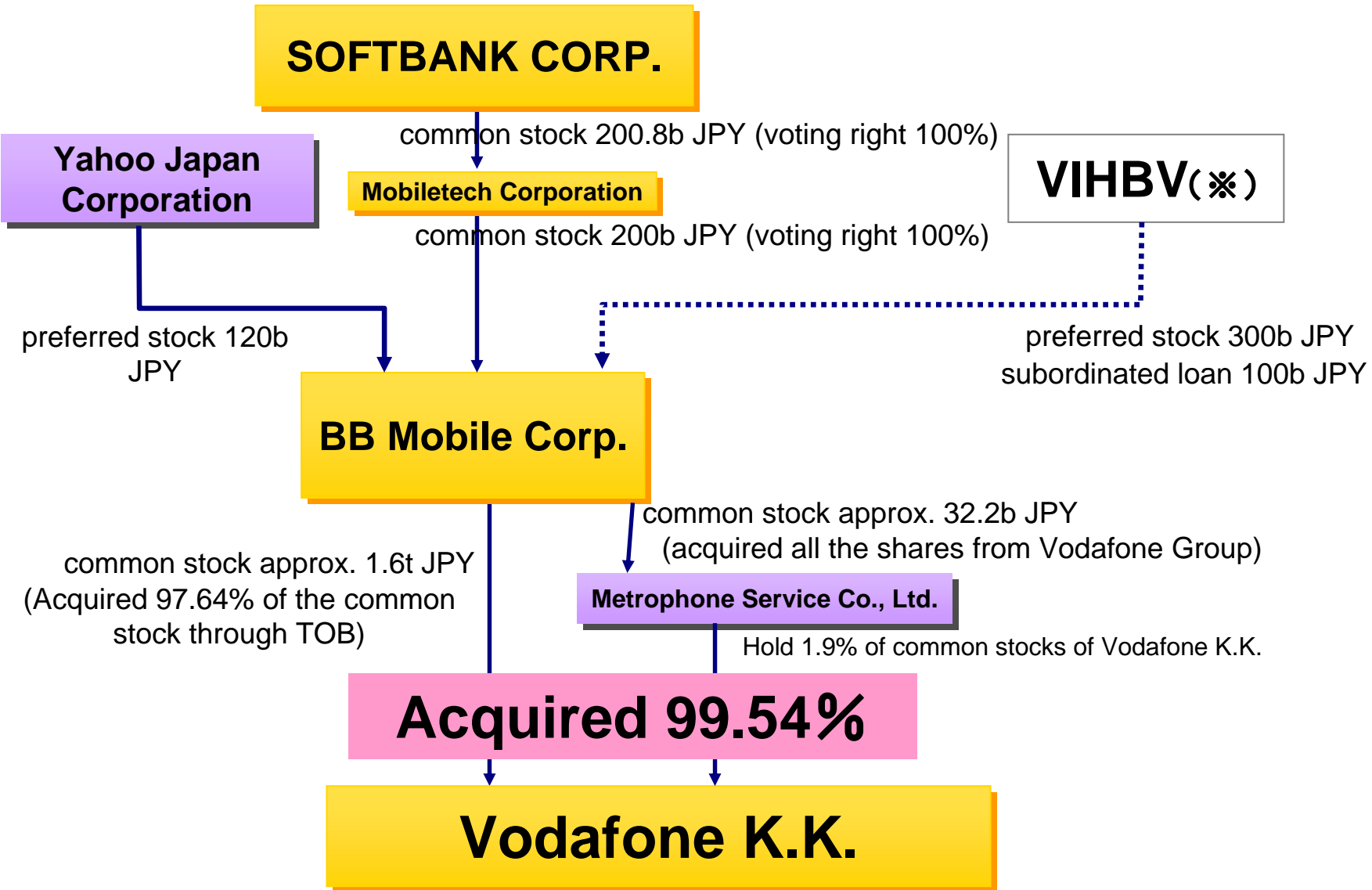
Acquisition of Vodafone

Completed acquisition through TOB and others



(27 April 2006)

Acquired 99.54% of issued shares of Vodafone K.K.



(*) Vodafone International Holdings B.V.

Fund procurement for acquisition (BB Mobile)

Bank loan (LBO bridge loan)	1.16t JPY
Subordinated loan (Vodafone International Holdings B.V.)	100b JPY
Preferred stock (Vodafone International Holdings B.V.)	300b JPY
Preferred stock (Yahoo Japan Corporation)	120b JPY
Common stock (SOFTBANK CORP.※)	200b JPY

Bridge loan facilities agreement: facility size: 1.28t JPY

(of which working capital facility of Vodafone K.K. 100b JPY)

Number of the participating financial institutions: **17**

Future Refinancing Plan

<at the timing of Acquisition> Bridge loan (non-recourse)

LBO Bridge loan : 1.28t JPY (total facility size)

Shift to long-term and diversified financing

- Syndicated loan (senior and mezzanine loan)
- Securitization and liquidation of network infrastructure (off-balance)
- Lease finance, etc.

Planned to complete permanent finance by around Sept 2006.

Enter Mobile Phone Business

Merits of the acquisition (to buy time)



① **Customer base** 15.20m users*

② **Network** Population coverage: 99.93%*

③ **HS procurement** Collaboration with domestic/
international vendors

④ **HR/Know-how** Value of over-10-years
experience in mobile telecom

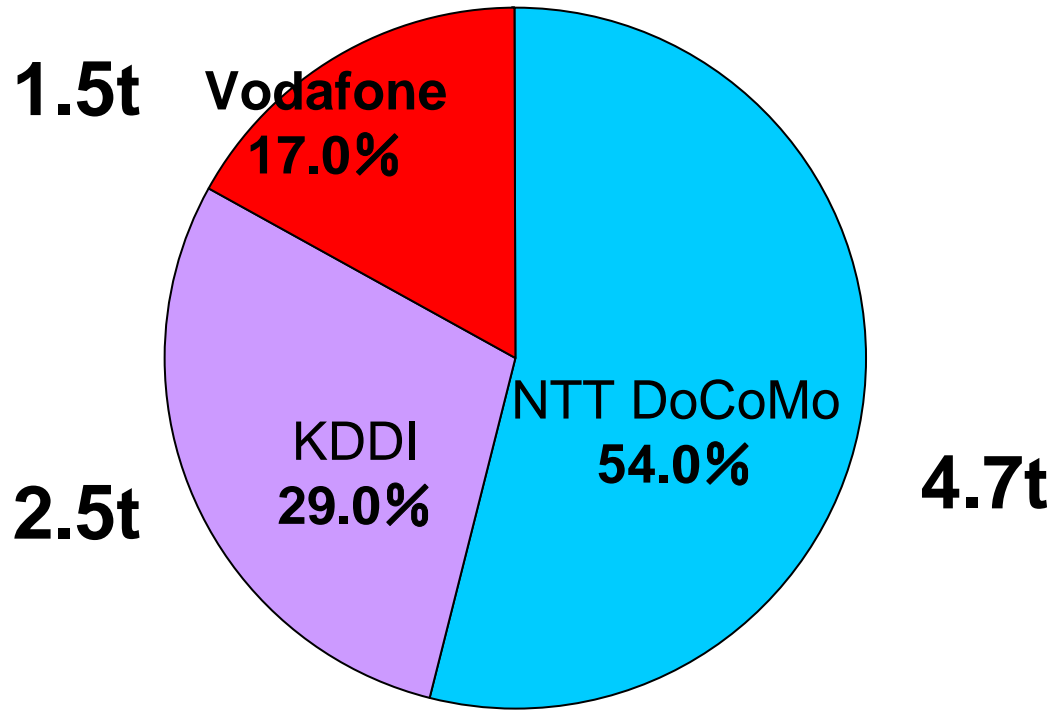
⑤ **Distribution network** Vodafone Shop network
1,800 shops across the nation

⑥ **Operating cash flow** EBITDA: approx. 300b JPY**

*as of the end of March 2006

** Figures in the interim result of FY2006 are annualized.

Mobile telecom market size (turnover)

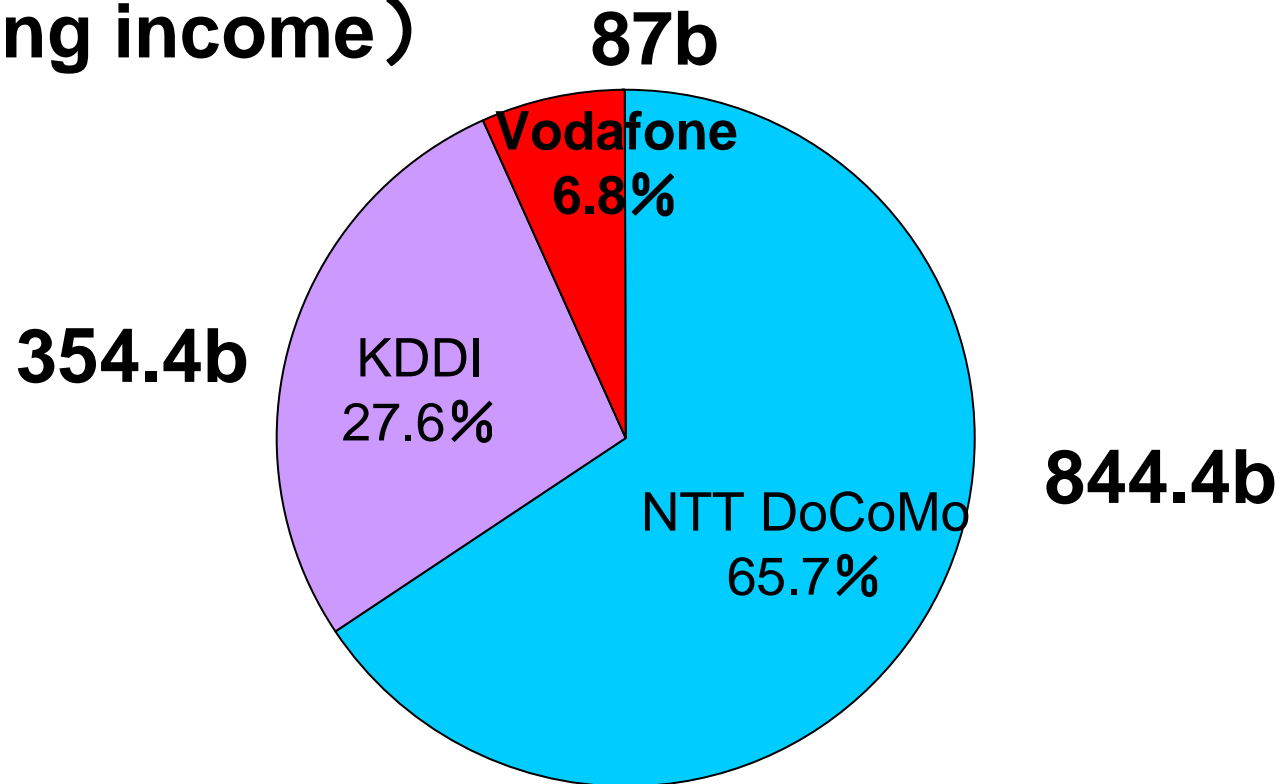


Total turnover of the three operators
8.7t JPY

※Except of mobile telecom business is from the FY2006 account settlement brief of each company.

※As for Vodafone performance, figures in the interim results of FY2006 are annualized.

Mobile telecom market size (operating income)



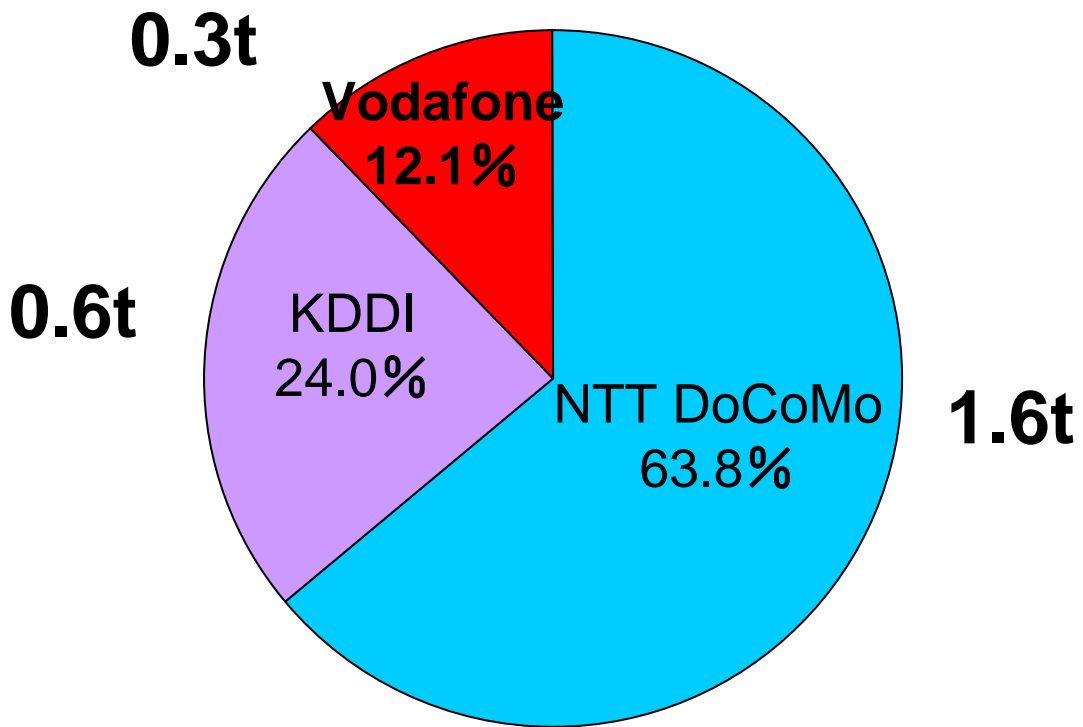
**Total operating income of the
three operators**

1.3t JPY

※Except of mobile telecom business is from the FY2006 account settlement brief of each company.

※As for Vodafone performance, figures in the interim results of FY2006 are annualized.

Mobile telecom market size (EBITDA)



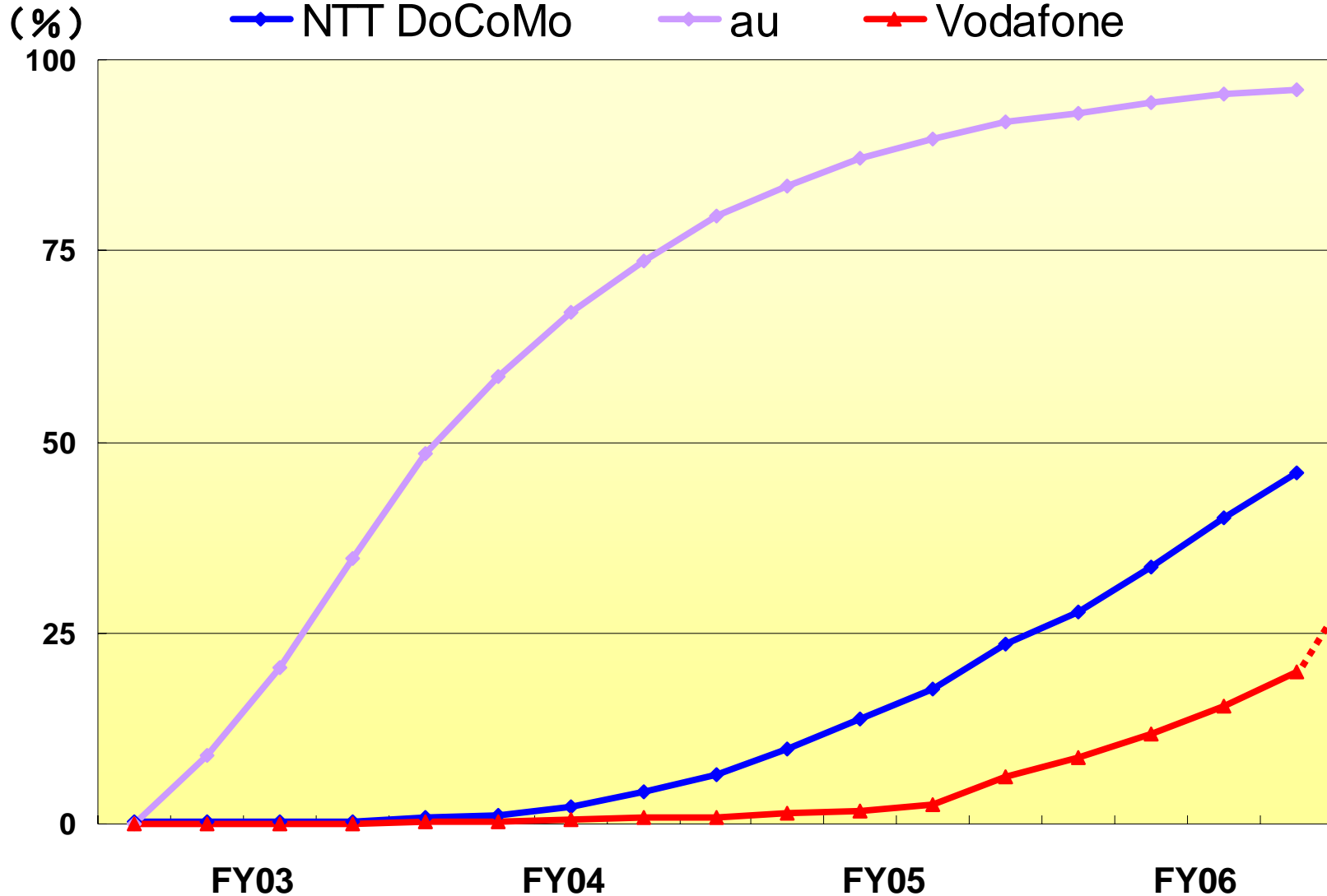
Total EBITDA of the three operators
2.5t JPY

※ KDDI: Mobile telecom business segment results in the FY2006 account settlement announcement.
NTT DoCoMo: EBITDA of all business segments in the FY2006 account settlement announcement.
Vodafone: Result of interim result of FY2006 is annualized. (Exchange rate as of 9 May; 1 GBP=207.51JPY)

Trends in the share of 3G subscribers by carrier



Increase in growth potential due to increasing proportion of 3G users

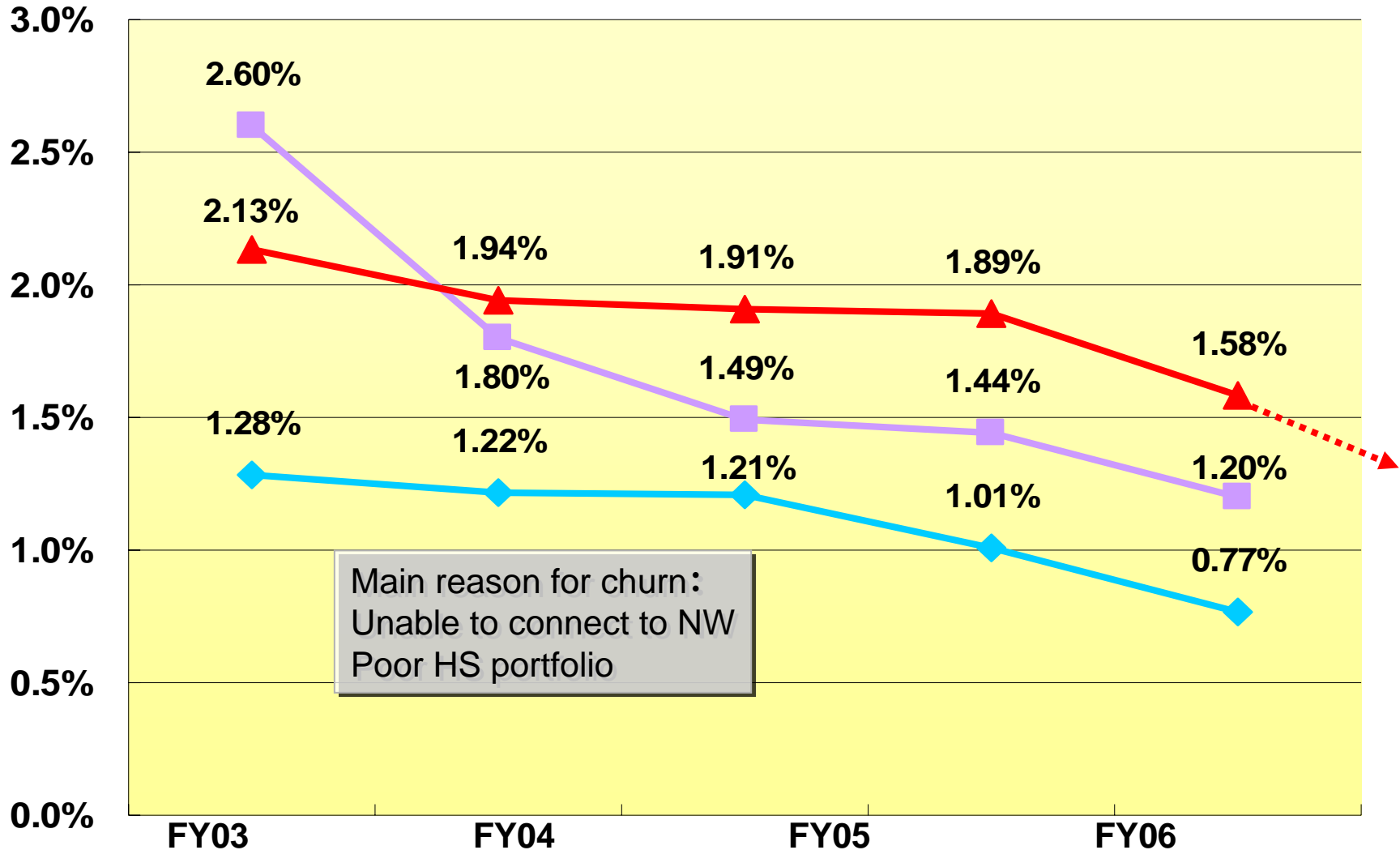


*au started 3G service in April 2002 and Vodafone in Nov 2002.

Churn rate trend

Downtrend of churn rate

—◆— NTT DoCoMo —■— au —▲— Vodafone



※Referenced from account settlement documents of each operator. As for the figures of FY2006, those of Vodafone are annualized figures based on Q1-Q3 churn rate. Those of NTT DoCoMo and au are actual on an annual basis.

Four Commitments

1. 3G Network Enhancement

2. 3G Handset Enrichment

3. Enhancement of Content

4. Enhancement of Sales Structure and Branding

1. 3G Network Enhancement

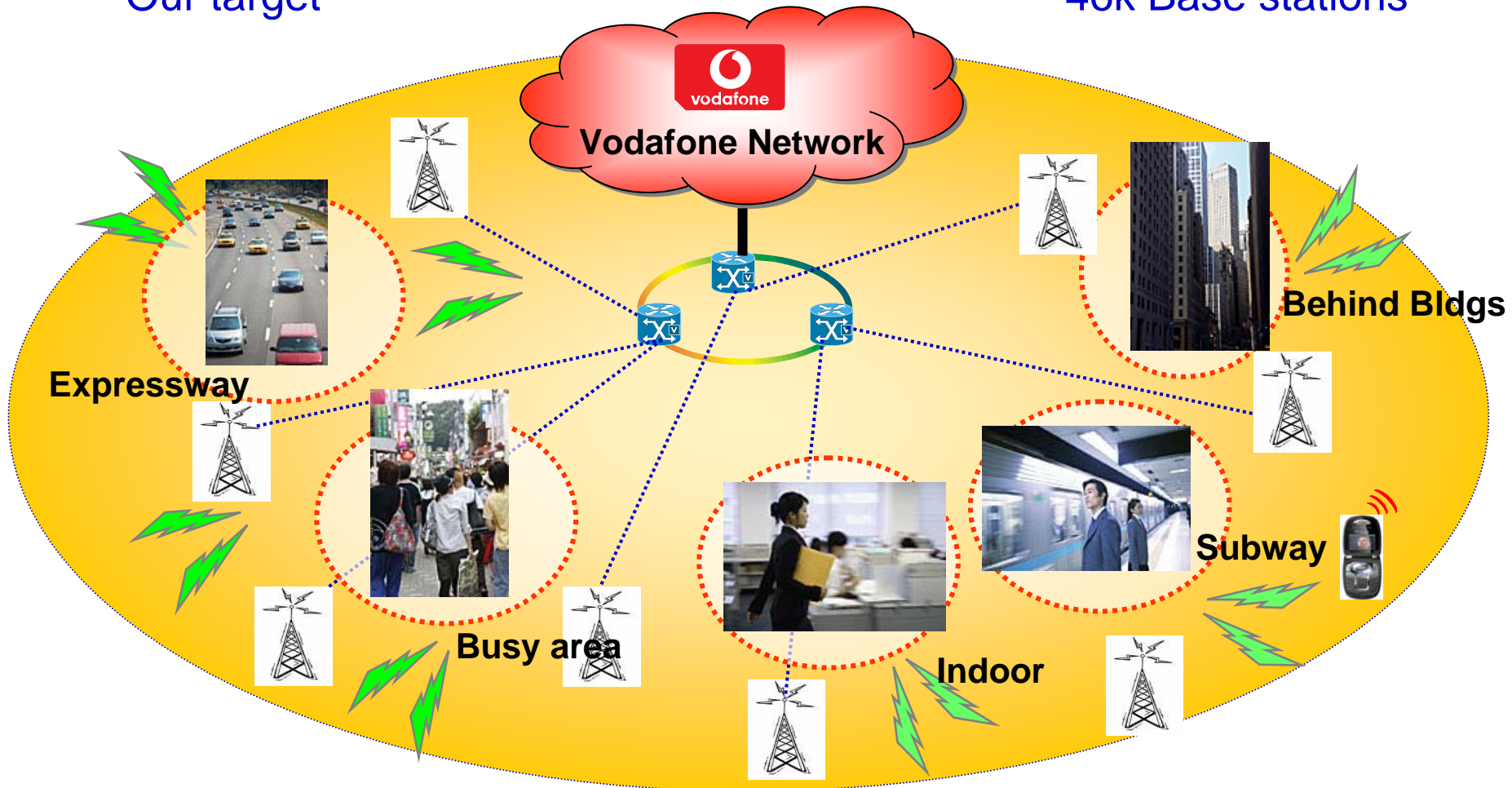
3G Network Enhancement – Cover blackspots

Within this FY:

NTT DoCoMo Forecast (newspaper reported base) over 44k Base stations

Our target

46k Base stations



Improve coverage dramatically

2. 3G Handset Enrichment

3G Handset Enrichment :1

Launch SHARP “AQUOS” handset

- Launch “One-Segment” capable 3G Handset with 2.6 inch screen
- Introduce models especially designed for Japanese users



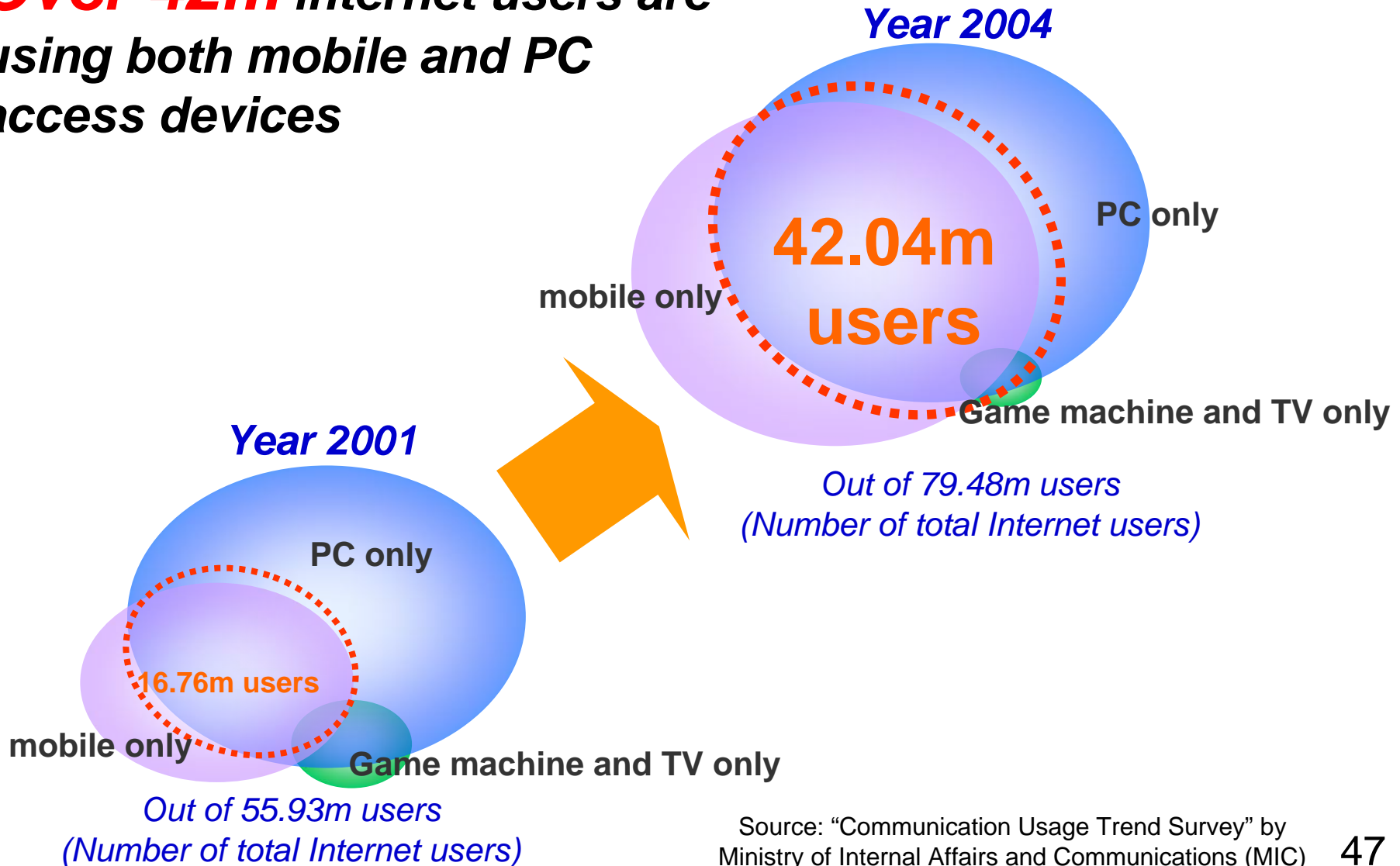
One-Segment capable 3G handset “Vodafone 905SH” to be released in June

3. Enhancement of Content

- Collaboration with Yahoo! JAPAN
- SOFTBANK Group's content development

Trend of users of both mobile and PC access devices

Over 42m internet users are using both mobile and PC access devices



Source: "Communication Usage Trend Survey" by Ministry of Internal Affairs and Communications (MIC)

Content convergence

Fixed Internet



 SoftBank
YAHOO!
JAPAN

Mobile Internet



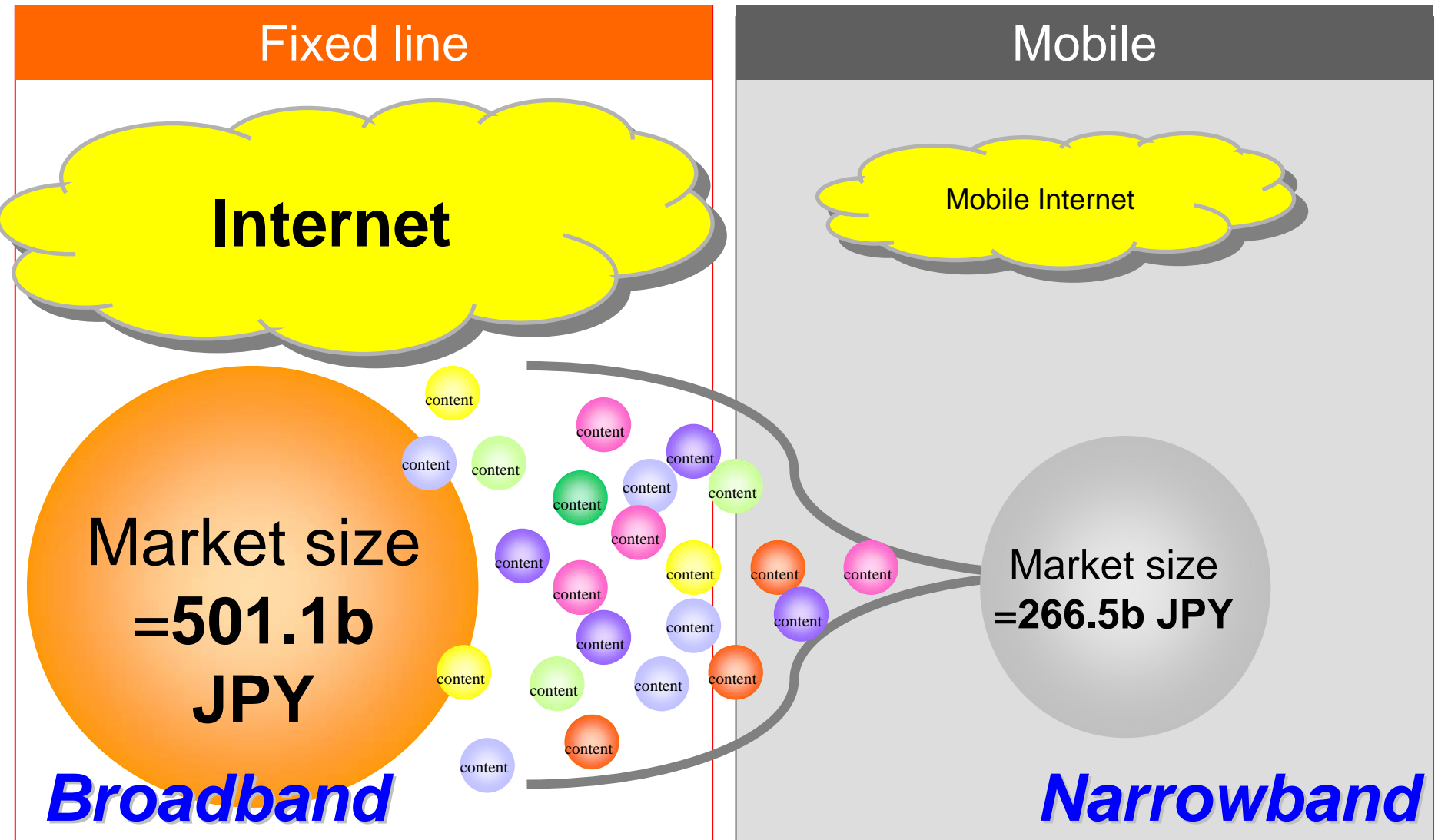
 **vodafone**TM



Access Broadband content anytime

Market size of mobile content

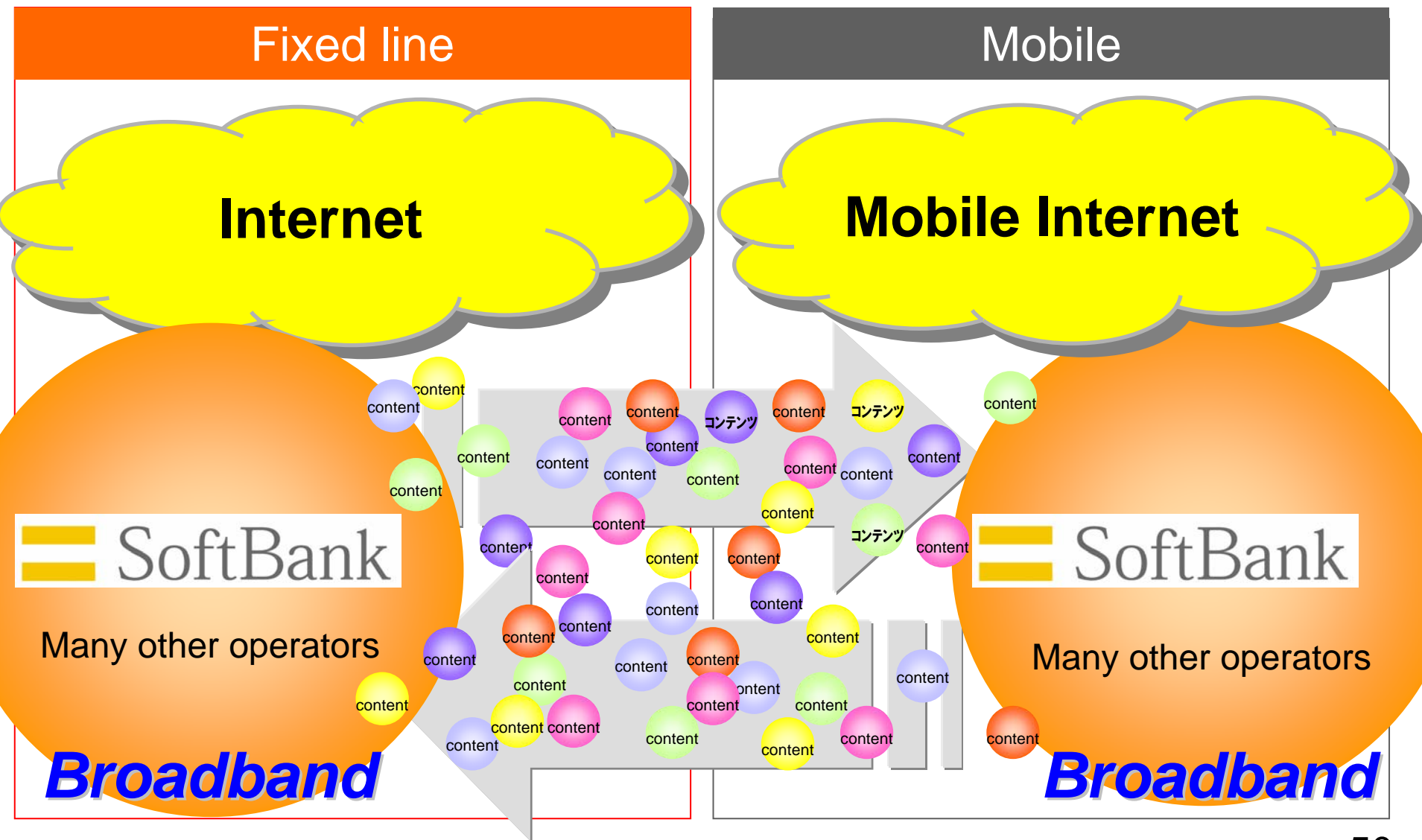
Mobile content market size has not matured due to the communication speed difference



*Figure source: "Digital Content White Paper 2005"

Realize Mobile Broadband

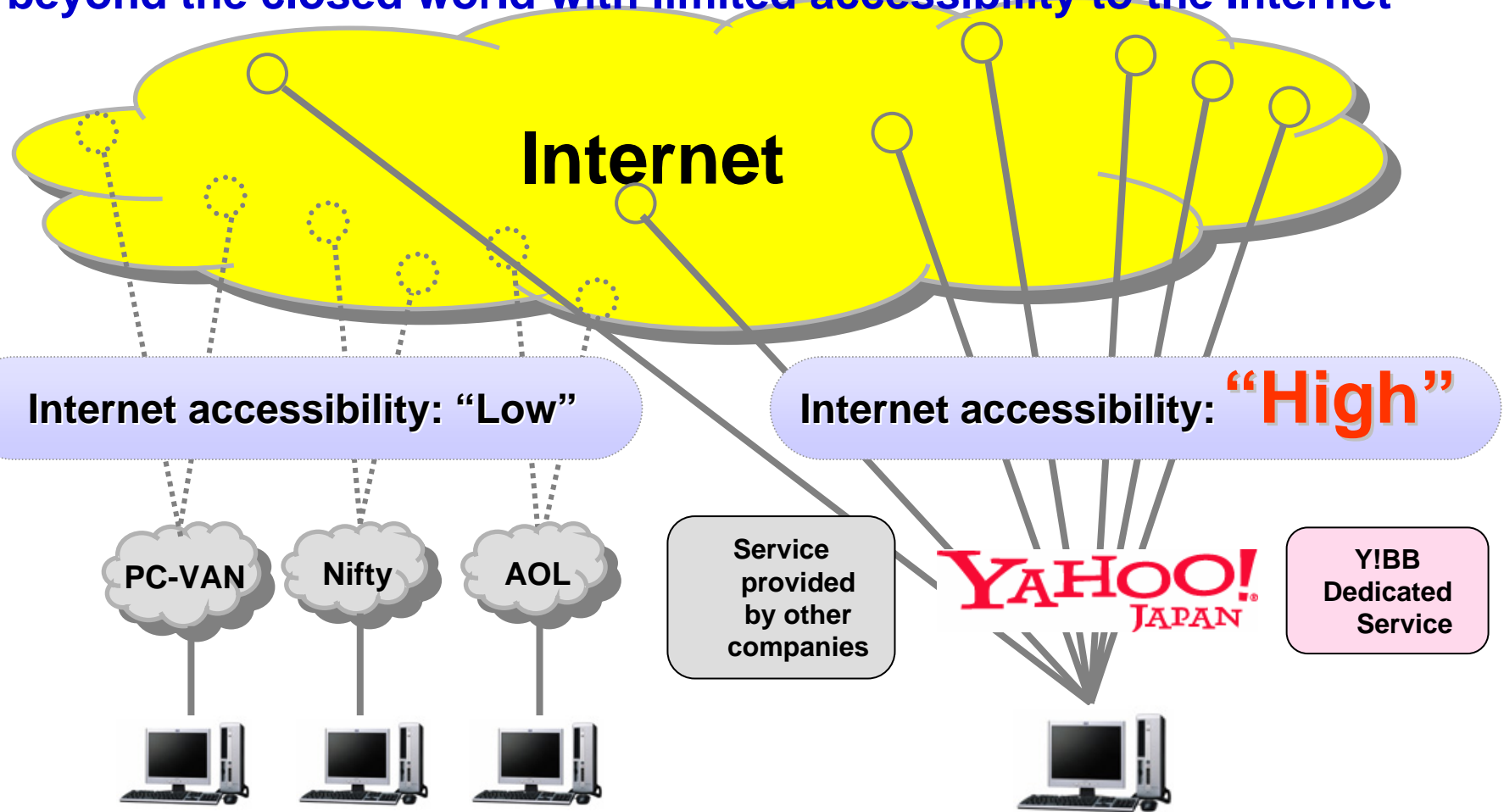
Expand mobile Internet market with Broadband



Internet Access : Now versus the past ten years

To the “Open” Internet World

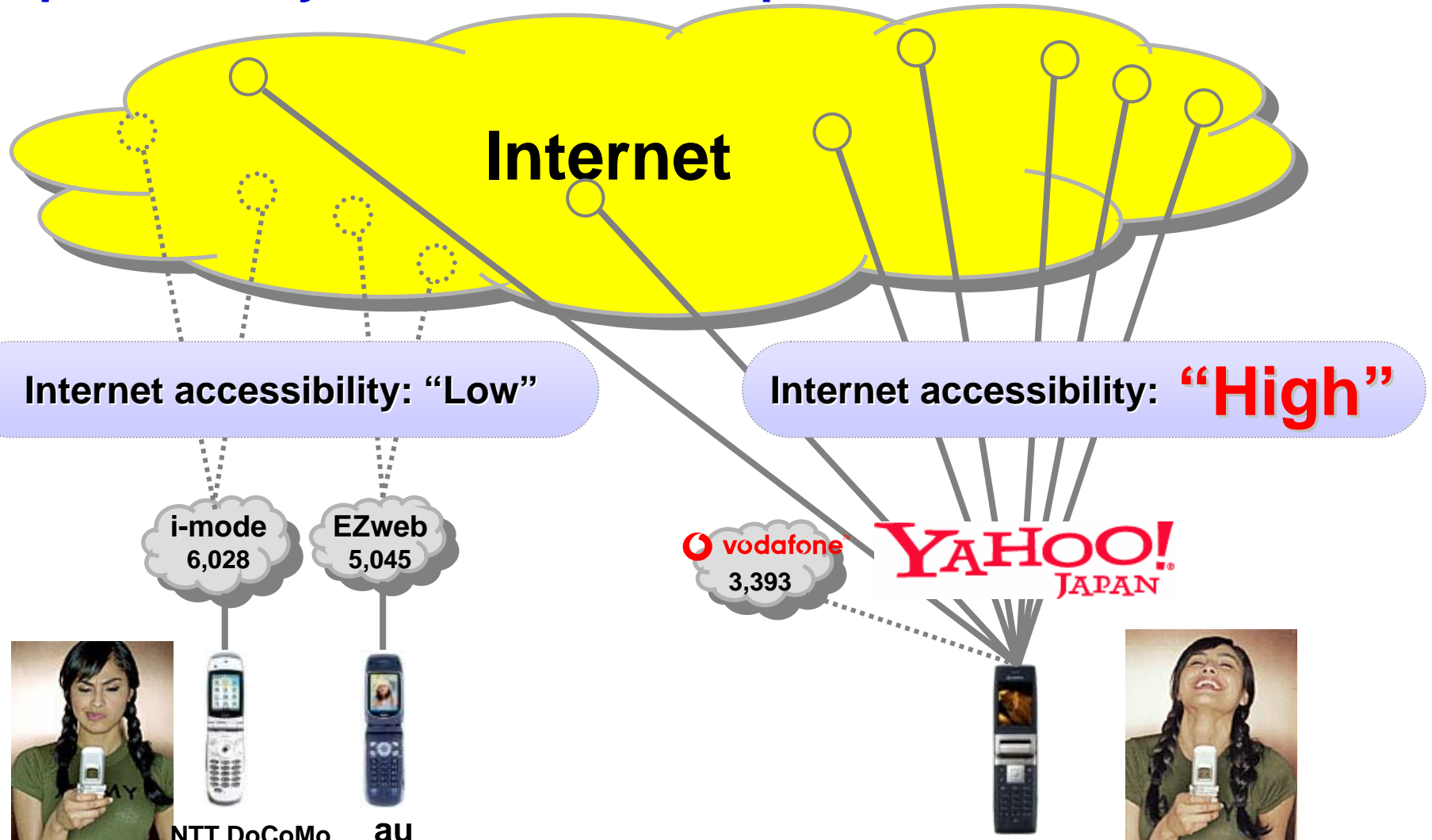
beyond the closed world with limited accessibility to the Internet



Improve Internet access dramatically



To the “open” and “large” world beyond the small world provided by communication operators



*Figures are from each operators' IR material as of end March 2006; as for Vodafone, data as of the end of Feb. 2006

Leverage Yahoo! JAPAN's strength - Appeal SoftBank

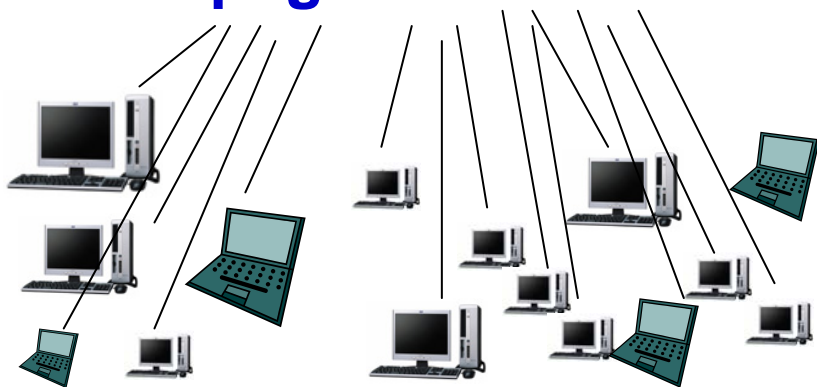
Already ranked No.1 most attractive site in the mobile market

Fixed line

Internet

YAHOO!
JAPAN

33.1b page view/month*1



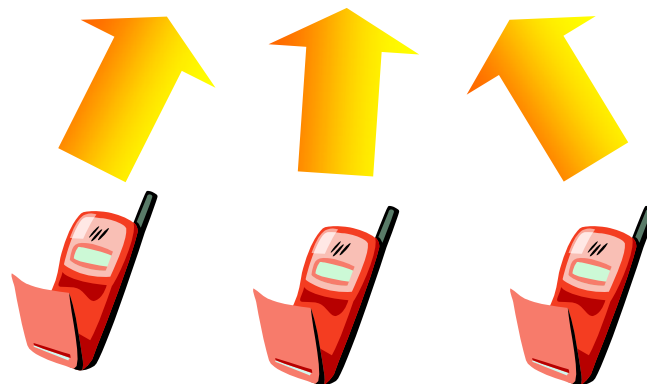
Mobile

Mobile Internet

**Ranked the No.1 registered
bookmark!*2**

YAHOO! MOBILE 
JAPAN

1.4b page view/month*1



*1 Number of total monthly page view in March 2006

*2 Source: "Mobile White Paper 2005"; Bookmark registration ratio to Yahoo! MOBILE by mobile users reached to 22%

Leverage Yahoo! JAPAN's strength - Content SoftBank

Seamlessly use the most popular content sites

Fixed line

Mobile



Fixed line content services including:

- YAHOO! WALLET JAPAN
- YAHOO! Music JAPAN
- YAHOO! SHOPPING JAPAN
- YAHOO! PHOTOS JAPAN
- YAHOO! AUCTIONS JAPAN



YAHOO! JAPAN



More convenient



SOFTBANK Group's Content Development

Yahoo! Streaming – Video Portal Renewal

Integrated TV Bank and Yahoo! Streaming on May 1st



Japan's largest amount of content

Uniquely developed video search

Video posting by viewers

Content images: withheld to protect the managed rights



Yahoo! Streaming – Advertisement Model SoftBank

-In May began charging for video advertisement . All slots are sold out.



- ① Distribute video advertisement by streaming to first page of VOD content
- ② Banner advertisements collaborate with video advertisement
- ③ Banner advertisement to portal sites



Collaborate with major advertisement agency, expand the video advertisement market, and aggressively secure more content

Yahoo! Streaming – Enhance search function

Developed next generation video search engines with high hit rate

Collaborate various search functions with video advertisement

Encyclopedia (Wikipedia), Blog search (kizasi) **PPC* Video advertisement** (Began charging in May)

Advanced search



Recommended key keyword



Mouthover play

* PPC(Pay Per Click) advertisement: Per click charge advertisement
Keyword collaboration to be available in future

Yahoo! Streaming – Video posting



Scout new stars who will be popular in this Internet era

Opportunity to appear on the original broadband drama starring Rei Kikukawa



“Travel Report”



“Short Movie”



“Pet Performance”



(C)Riichiro Majima/IDIOTS

Yahoo! Streaming– Enhance content



*Enhance content with live distribution,
exclusive/ anticipatory distribution, etc.*

Content images: withheld to protect the managed rights

Yahoo! Movies On-line Theater



Launched service on April 25th
 Approx. 100 Hollywood movies
 with unlimited viewing for a monthly
 fee of 997JPY (incl. tax)

Full-fledged video content distribution

Collaborate with Yahoo! Streaming

*New titles are available only in VOD



The Island
 until May 23 2006



The Polar Express
 until May 23 2006



BATMAN RETURNS
 until April 18 2007



BATMAN
 until April 18 2007



Must Love Dogs
 until July 11 2007



BATMAN AND ROBIN
 until April 18 2007

On-line Game – “Shin Sangoku Muso BB”

Biggest packaged software title to be provided to
“Yahoo! BB” users on-line*



Sales/Operation/Marketing

Strong backup by Group



Network

Data Center

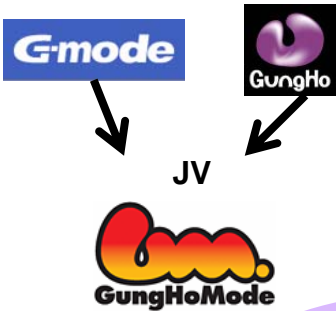


*Technical test starts in May 2006, official service to begin this year

On-line Game –GungHo Games

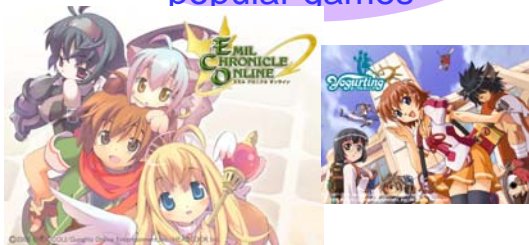
Aim to become an On-line theme park offering a “comprehensive commutainment portal site”

- Promote multi-use of the content offered by the GunHo group



Avatar

Characters and items from GunHo's popular games



Game

Line-up of various games



Community

A variety of rich communication function



***To be launched in this summer** 63

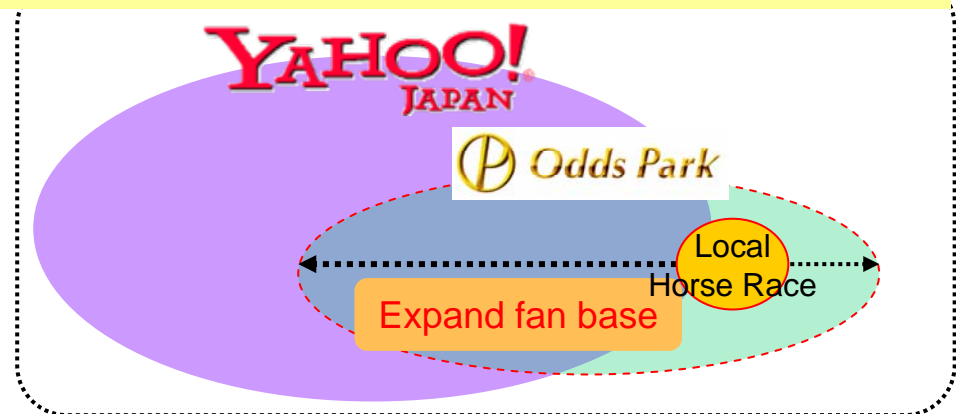
“Odds Park”, Japan’s first entertainment horse race portal



-Launched on 2nd April

1. Video streaming of all races (including both Live picture and past races)
2. High usability with vote function
3. Promotion collaboration with Yahoo! JAPAN

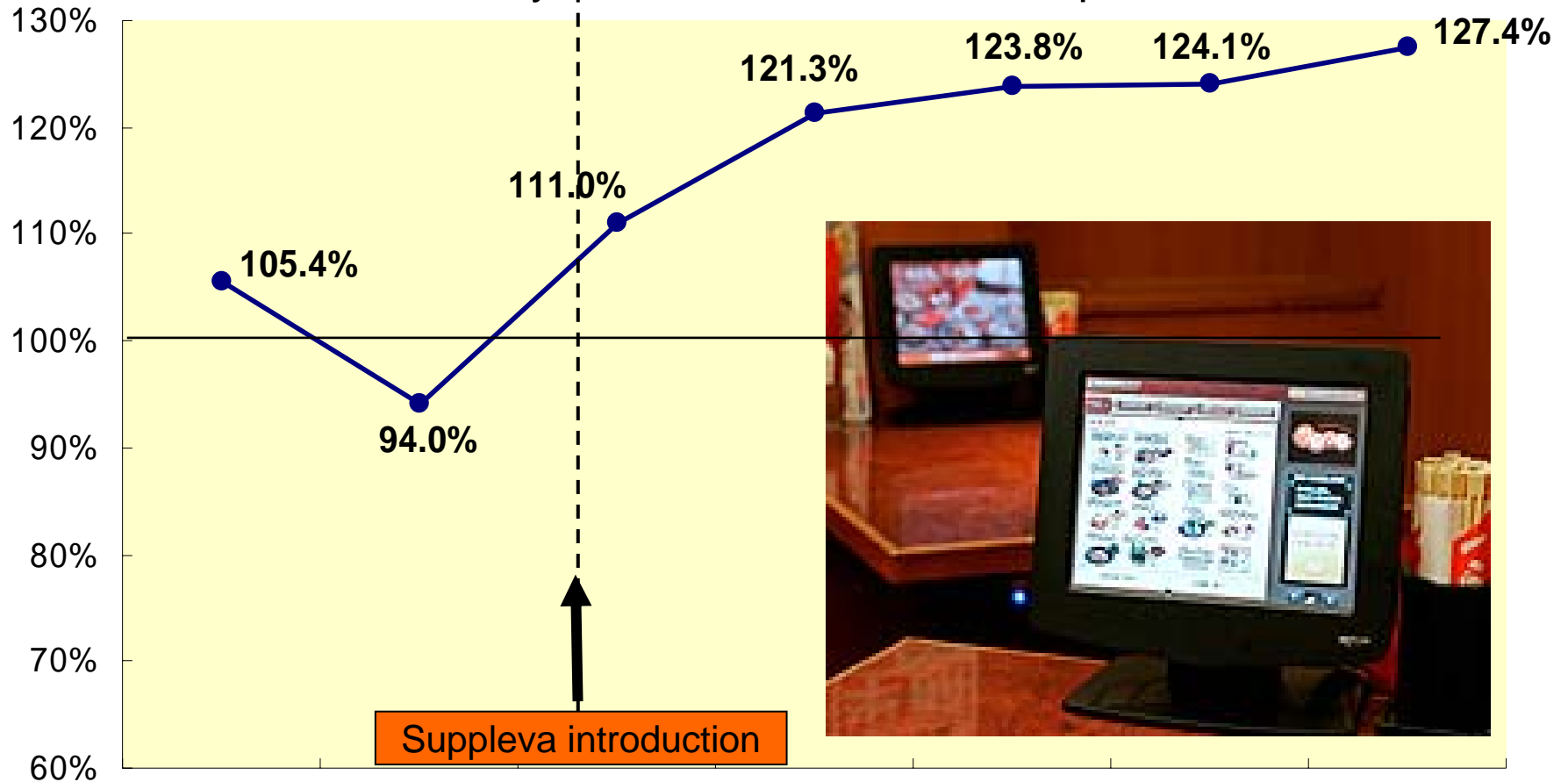
Expand the local horse race fan base through collaboration with Yahoo! JAPAN



Corporate Services -Suppleva



< Case study: Sales increase effect of product introduction >



Suppleva introduction

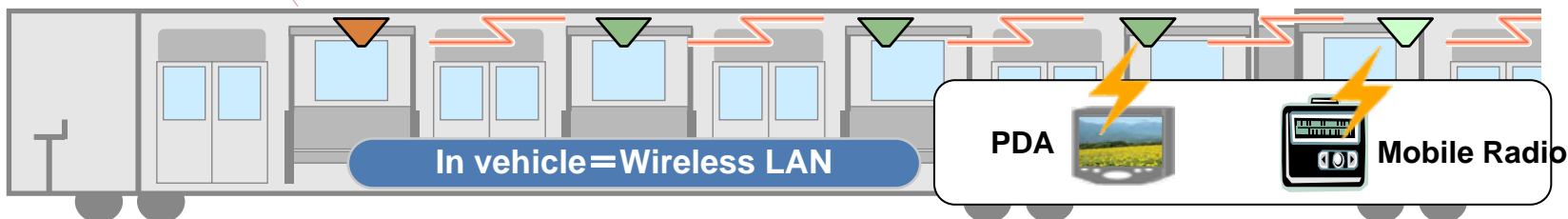
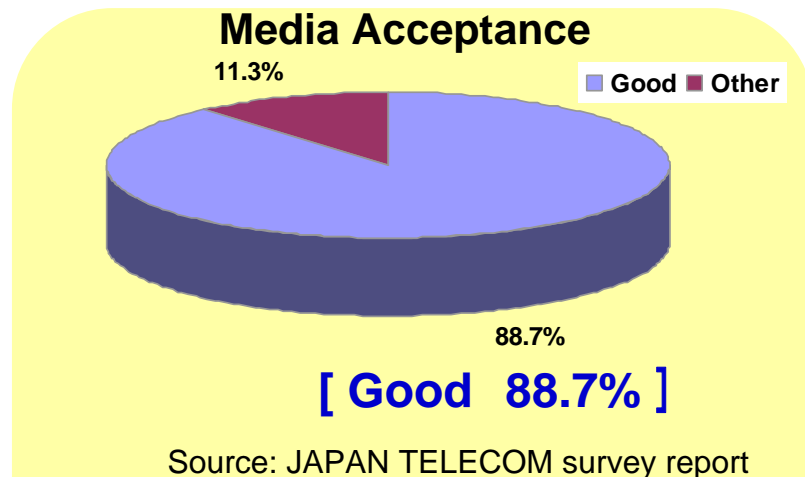
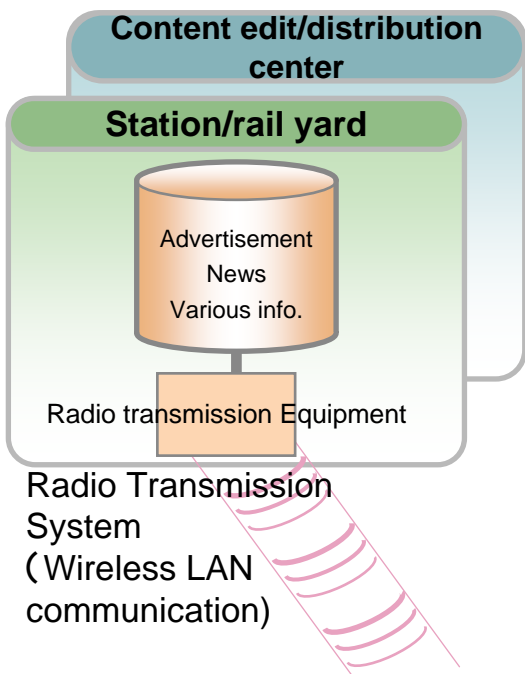
Status	No. of terminals
Introduced	3,400
Contracted (Under preparation)	19,000
Proposed (Under negotiation)	32,000
Proposed (Customer interested)	98,500

*When non-Suppleva shop average in pub chain is taken as 100%

Corporate Service -WVIT

High value-added video advertisement model → Now expanding on an experimental scope

- **JR East** (Under demonstration)
- **2 private railways** (Under study)



4. Enhancement of Sales Structure and Branding

Enhancement of Sales Structure

Enhance existing channels



Vodafone Shop



Non-exclusive shops



On-line shop

Develop a Comprehensive telecom shop by expanding traded services



おとくライン



Further develop corporate customers

日本テレコム



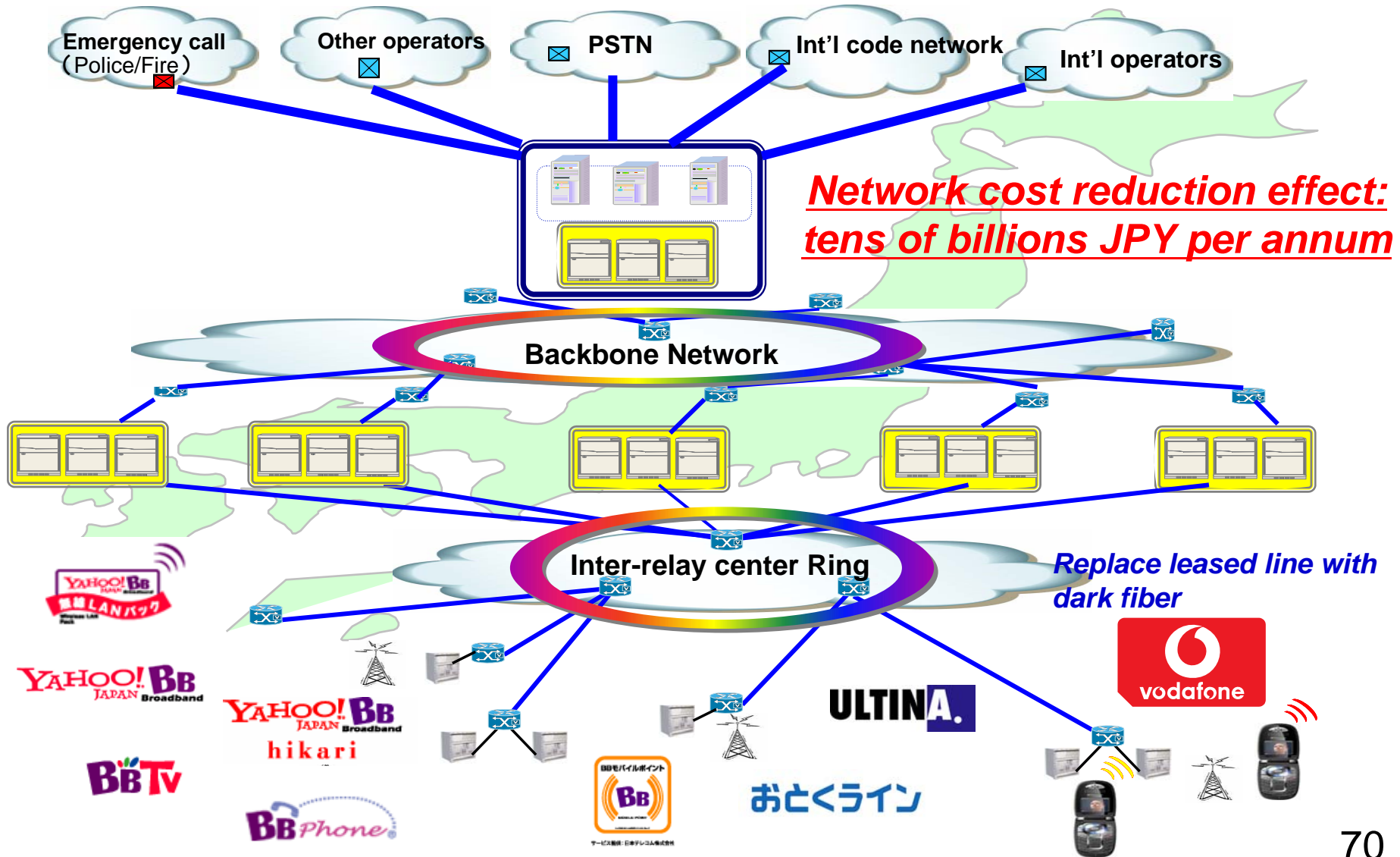
Utilize Sales resources in the Group

Synergy Effect

- 1) Cost reduction effect**
- 2) Sales expansion effect**
- 3) Service improvement effect**

1. Cost reduction – Integration and full-IP SoftBank

Cost reduction from backbone network integration, and network optimization from full-IP



1. Cost reduction – Reduction of fixed cost

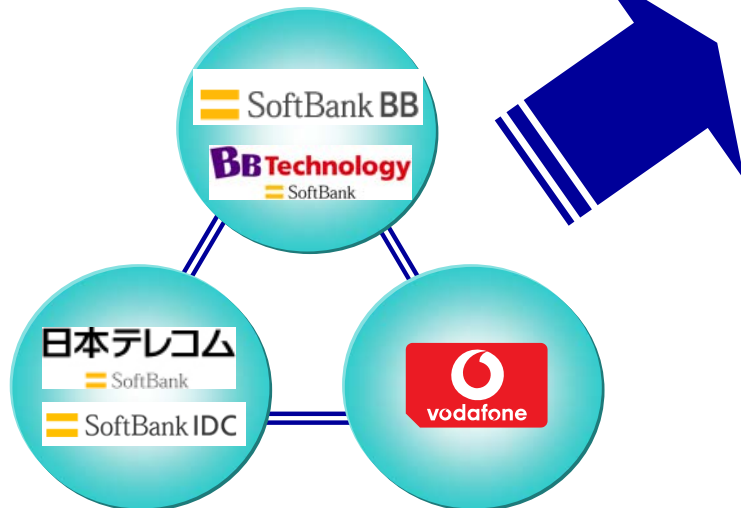
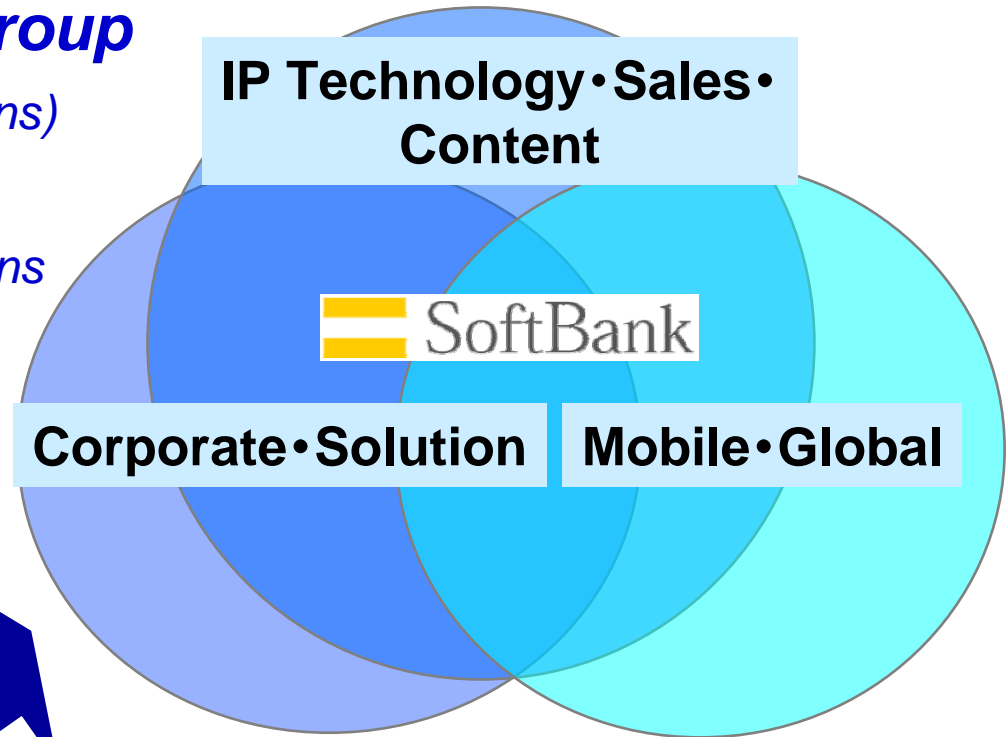
Reduction in technical, Sales, Administration, and IT costs

✓ **Reposition within the Group**

(Reduction of outsourced operations)

✓ **Shared service**

(Cooperation by division or functions such as technical, sales, etc.)

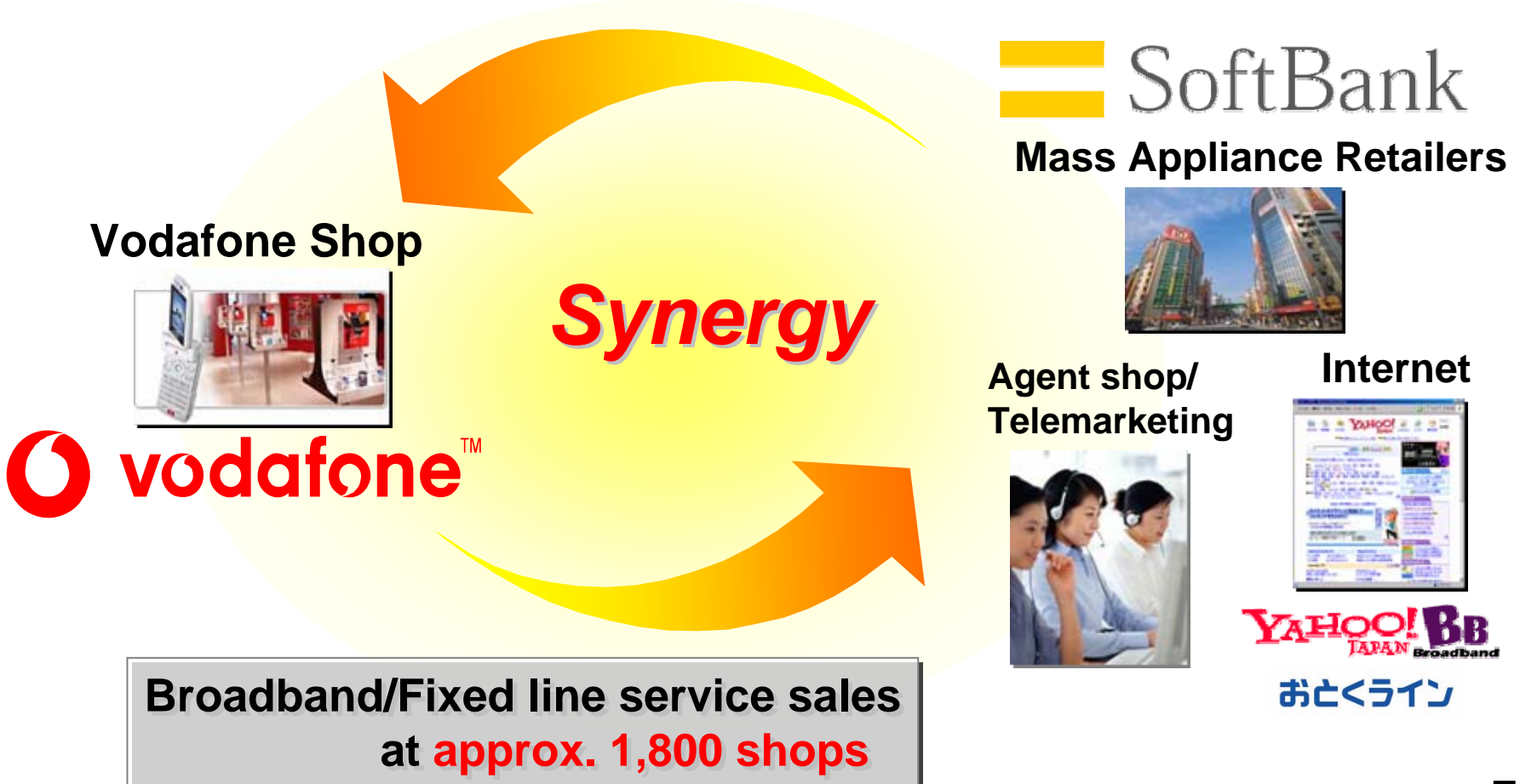


Fixed cost reduction effect:
tens of billions JPY per annum

2. Sales expansion

Growth from mutually exploiting Channels

Utilize the strong mass retailers' network (approx. 3,000 shops) that the SOFTBANK Group ally



3. Service improvement – Consumer service illustration

➤ Enhance content service and improve data ARPU through collaboration within the Group companies



3. Service improvement – Corporate service illustration

- Realize the value of the new “Mobile Office” work style
- Aim to expand corporate customer base

Vodafone Connect Card

High speed data communication available from anywhere

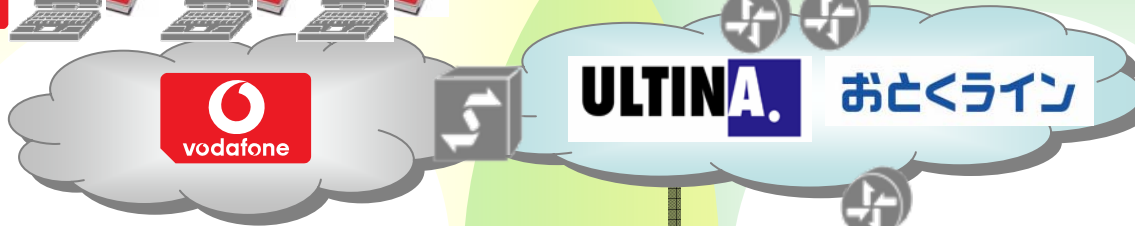


Vodafone Office Mail

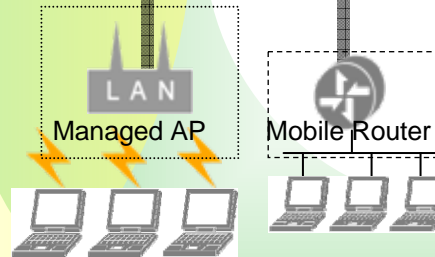
Synchronize mail, schedule, and contact information available real time



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SoftBank



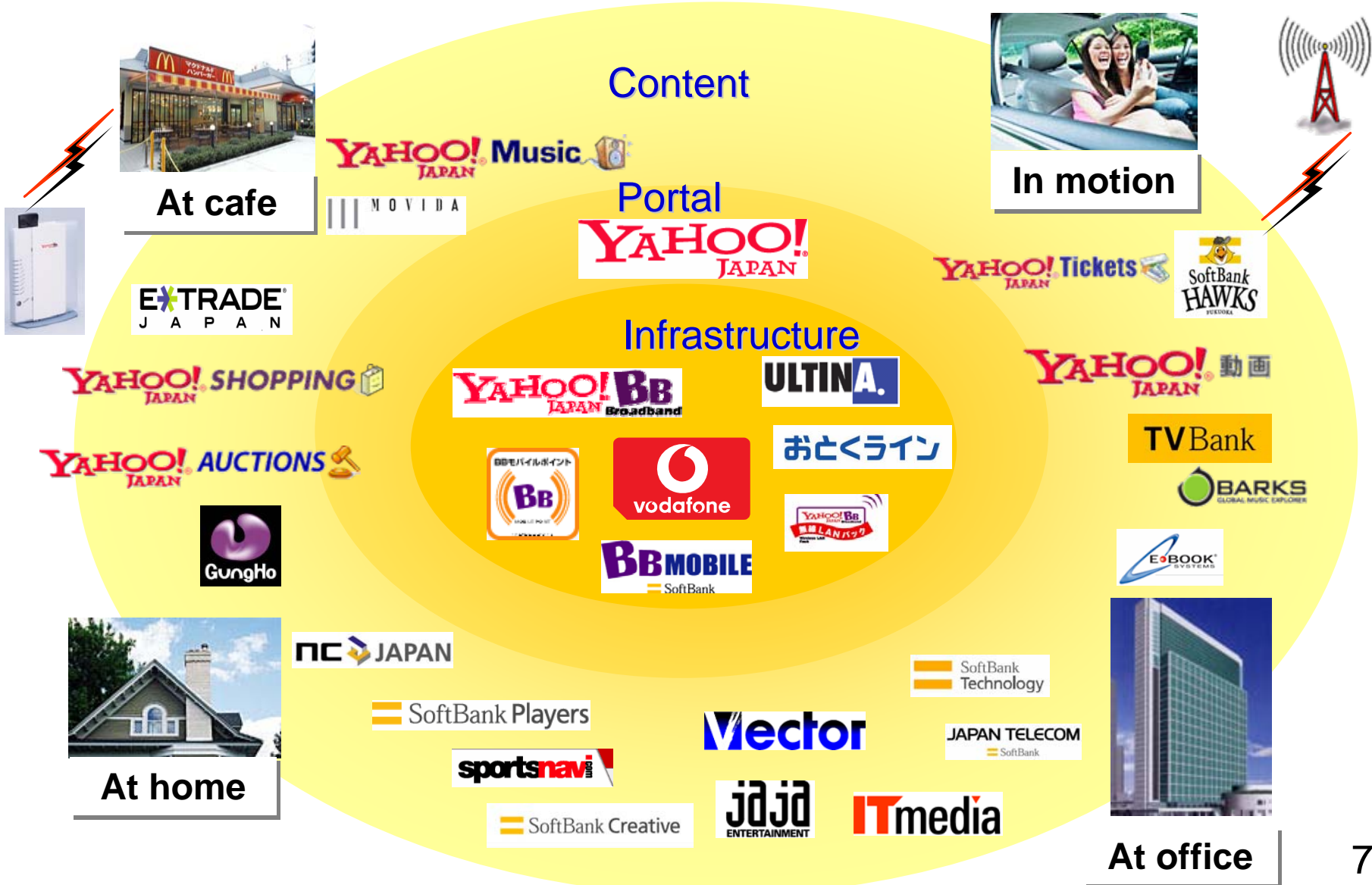
Etherconnect



- Free Address
- WLAN/IP Phone
- On-line Meeting
- On-line Storage
- Knowledge DB
- Corporate Portal
- Security

3. Service improvement – Fixed and Mobile convergence

Provide all Broadband content seamlessly



Smooth migration to the new structure

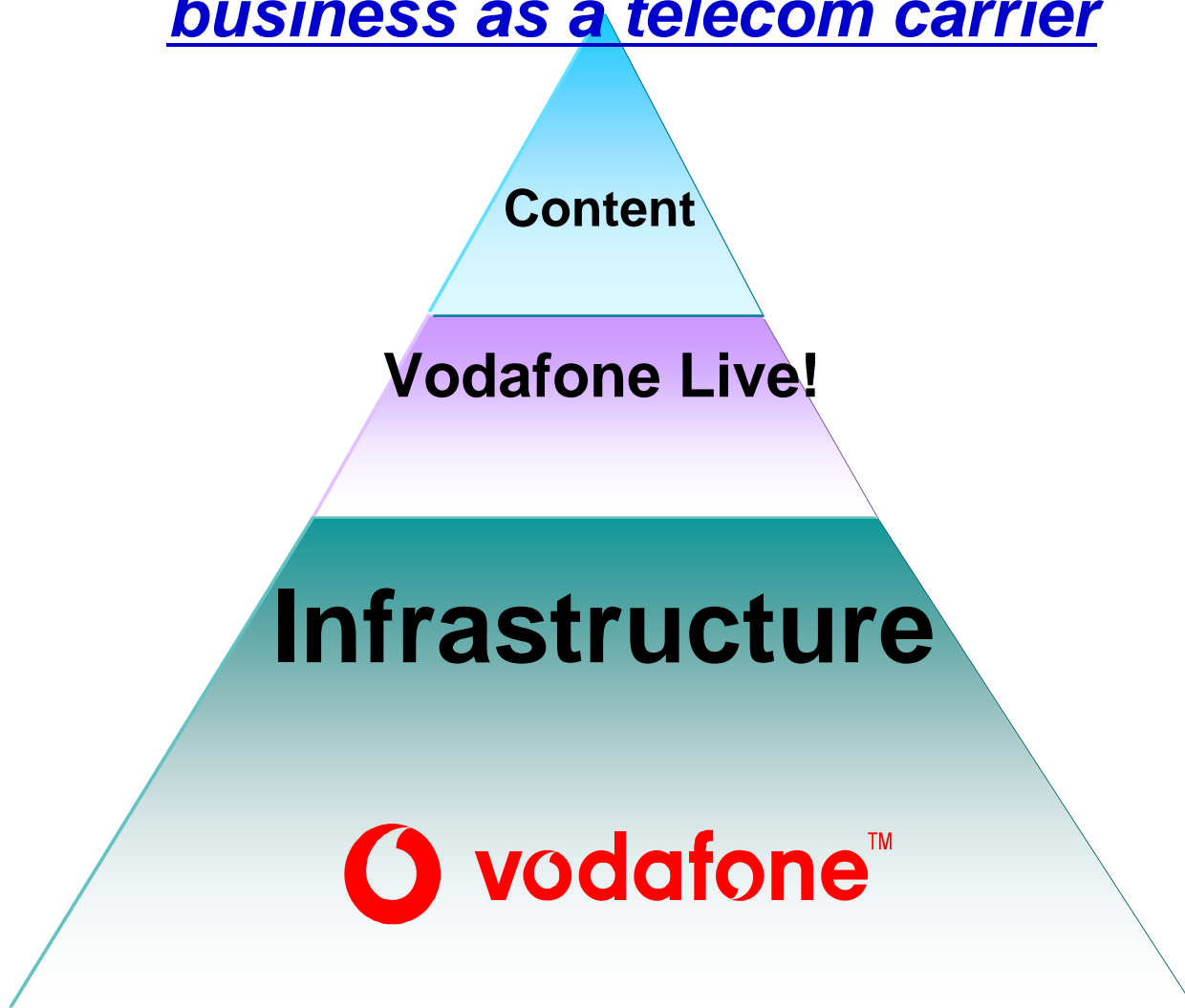
- **Announced new management before completion of acquisition**
- **Completed transfer to Shiodome head office**
(on the 2nd business day after completion of acquisition)
- **Continue to maintain good relationship with the Vodafone Group**



Current situation with Vodafone K.K.

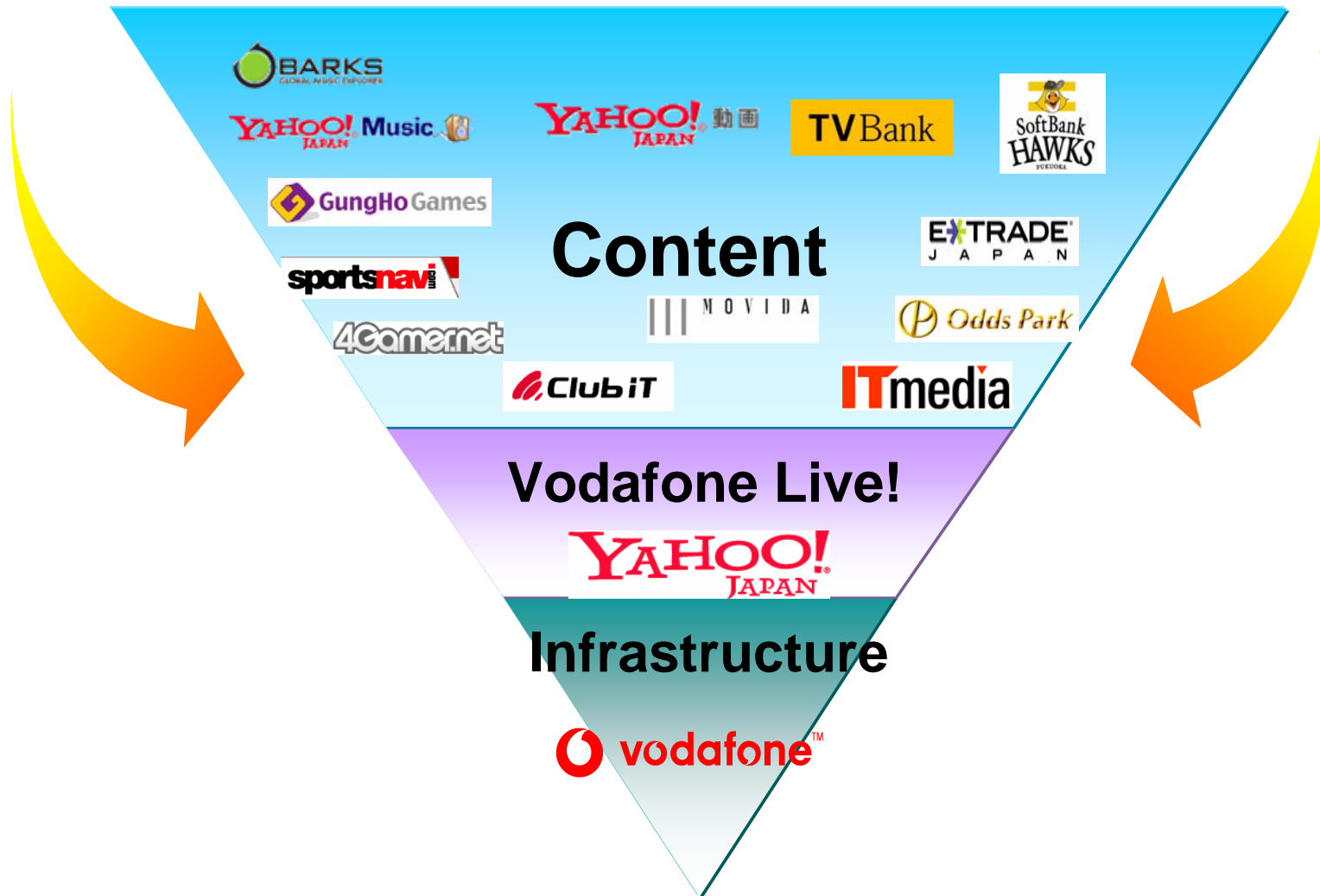


A large part of revenue and profits from Infrastructure business as a telecom carrier



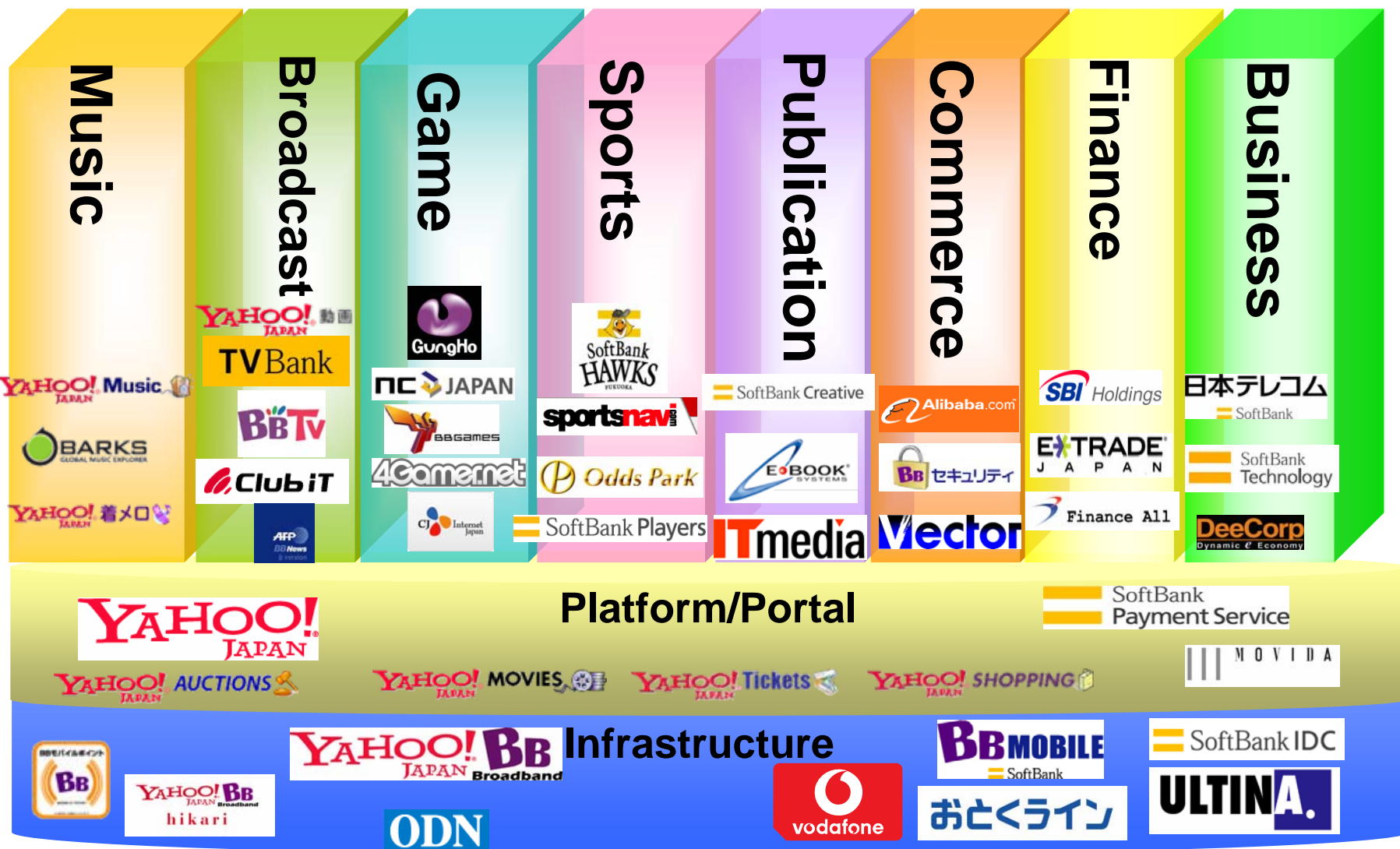
Mobile business – Future profitability illustration

Higher profitability from content business
provided by the Group

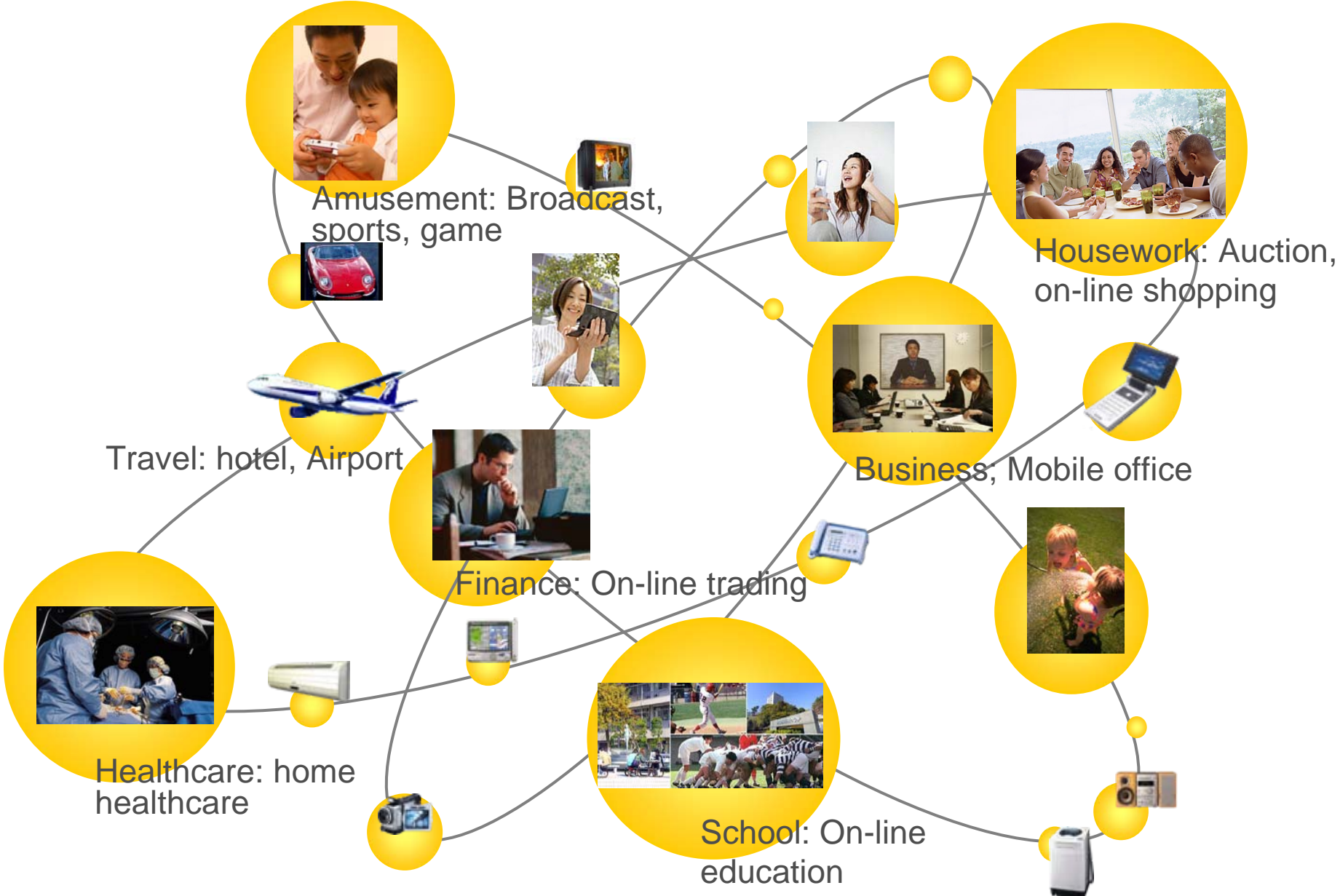


SOFTBANK's Future Goal

 SoftBank



Lifestyle Company in the 21st Century SoftBank



Broadband available to all living people everywhere

SOFTBANK'S Fundamental Management Policy



Endeavoring to benefit society and the economy and maximize enterprise value by fostering the sharing of wisdom and knowledge gained through the IT revolution.



<http://www.softbank.co.jp>

This presentation contains forward-looking statements including statements regarding future events, future strategies or future performance of SOFTBANK CORP. that involves risks or uncertainties. In evaluating these statements, a recipient thereof should specifically consider various factors that could cause actual events or results to differ materially from those indicated, including without limitation; continuing decline in the general economic conditions, general market conditions, customer demand for products and services, increased competition, inherent risk in the international operations and other important factors.