

## **Announcement on Strategic Reorganization of Commerce & Service Business**

SoftBank Corp. ("SoftBank") announces that it has decided to implement a reorganization within the Group (the "Reorganization") to strengthen and promote the global expansion of the Commerce & Service Business ("C&S Business") of SoftBank BB Corp. ("SoftBank BB"), a subsidiary of SoftBank.

Accordingly, SoftBank BB will split its C&S Business (incorporation-type of company split (*shinsetsubunkatsu*)). The newly-incorporated SoftBank Commerce & Service Corp. ("SoftBank C&S") will assume the C&S Business (the "Split"), and at the same time, it will grant all of its SoftBank C&S shares to SoftBank. The effective date of the Reorganization will be April 1, 2014. Furthermore, on the same day, SoftBank will transfer all shares of SoftBank C&S to a Japanese subsidiary of Brightstar Corp. ("Brightstar"), a U.S. subsidiary of SoftBank (the "Transfer"). This will create a structure under which SoftBank C&S and Brightstar can integrate their businesses for further growth.

### **I. Purpose of the Reorganization**

At its foundation in 1981, SoftBank engaged in the distribution of packaged software for personal computers. SoftBank BB's C&S Business is rooted in this initial business of SoftBank. Currently, the C&S Business engages mainly in the sale of IT-related software and hardware. It also engages in the manufacture and sales of "SoftBank SELECTION" handset accessories, and provides various services to corporate and individual customers who use smartphones and other devices. Brightstar, consolidated as a subsidiary of SoftBank in January 2014, is the world's largest specialized wireless distributor (See Note) and has a local presence in 55 countries.

SoftBank decided to implement the Reorganization as it considered it is essential to create synergies between the C&S Business and Brightstar by building a structure under which they can integrate their operations in order to further strengthen and promote the C&S Business. SoftBank C&S will promote "SoftBank SELECTION," cloud services for corporate customers, and other services worldwide, as well as introduce Brightstar's diverse handset-related services available overseas to Japan.

(Note) Based on revenue (source: Brightstar)

### **II. Summary of the Split**

#### **1. Outline of the Split**

##### **(1) Timeline of the Split**

Resolution at the Investment Committee (SoftBank)	February 18, 2014
Resolution at the Board of Directors Meeting (SoftBank BB)	February 18, 2014
Resolution at the General Meeting of Shareholders (SoftBank BB)	March 24, 2014 (expected)
Date of the Split (the Effective Date)	April 1, 2014 (expected)

##### **(2) Method of the Split**

Incorporation-type of company split through which SoftBank BB will be split and SoftBank C&S will be newly incorporated.

##### **(3) Shares allotment**

Upon the Split, SoftBank C&S will issue 340,000 shares. All of the shares will be allotted to SoftBank BB.

Immediately after the allotment, SoftBank BB will grant all shares allotted by SoftBank C&S to its sole parent company, SoftBank, as a payment of dividends of surplus.

(4) Treatment of share options and bonds with share option upon the Split  
Not applicable.

(5) Increase or decrease in the common stock share capital of SoftBank BB  
Not applicable.

(6) Rights and obligations assumed by SoftBank C&S

On the effective date of the Split, SoftBank C&S will assume rights and obligations with respect to C&S Business, which are stipulated in the Split plan and other supporting documents. These rights and obligations include those regarding assets, liabilities, and contractual statuses (excluding employment agreements). SoftBank BB will be released from all obligations assumed to SoftBank C&S (*mensekiteki-saimu-hikiuke*).

(7) Estimate of the performance of liabilities

SoftBank judges that SoftBank C&S will be able to perform its liabilities even after the effective date of the Split.

## 2. Outline of the Splitting Company and Newly-incorporated Company

	Splitting Company (As of December 31, 2013)	Newly-incorporated Company (Forecast as of April 1, 2014)
(1) Name	SoftBank BB Corp.	SoftBank Commerce & Service Corp.
(2) Address	1-9-1, Higashi-shimbashi, Minato-ku, Tokyo	1-9-2, Higashi-shimbashi, Minato-ku, Tokyo
(3) Date of Foundation	May 16, 2000	April 1, 2014
(4) Name and title of representative	Masayoshi Son Chairman & CEO Ken Miyauchi Representative director & COO	Ken Miyauchi Chairman and representative director Yasuo Mizoguchi CEO and representative director (Senior vice president and Board director of SoftBank BB)
(5) Nature of business	Provision of ADSL and IP telephony services, manufacturing, distribution and sales of IT-related products	Manufacturing, distribution and sales of IT-related products, and provision of IT-related services
(6) Common stock share capital	JPY 100 billion	JPY 100 million
(7) Shares issued	6,227,041 shares	340,000 shares
(8) Net assets	JPY174.1 billion	JPY 17.2 billion
(9) Total assets	JPY 283.5 billion	JPY 69.4 billion
(10) Fiscal year end	March 31	March 31
(11) Major shareholder and its shareholding ratio	SoftBank Corp. 100%	SoftBank Corp. 100%

(12) Number of employees	Approx. 3,200	Approx. 1,400
(13) Major subsidiaries	BB Backbone Corp. BBIX, Inc. AGOOOP Corp. BB Softservice Corp. DeeCorp Limited SB Frameworks Corp.	BB Softservice Corp. DeeCorp Limited SB Frameworks Corp.

### 3. Outline of the Business Unit that will be split

(1) Nature of business of the business unit to be split

Commerce & Service Business

(2) Result of operations of the business unit that will be split (for the fiscal year ended March 31, 2013 JGAAP)

	Actual result of the business to be split (a)	Actual result of the SoftBank BB (b)	Ratio (a / b)
Net sales	JPY 270.5 billion	JPY 423.2 billion	64%

(3) Items and amounts of assets and liabilities to be split (estimate for April 1, 2014 JGAAP)

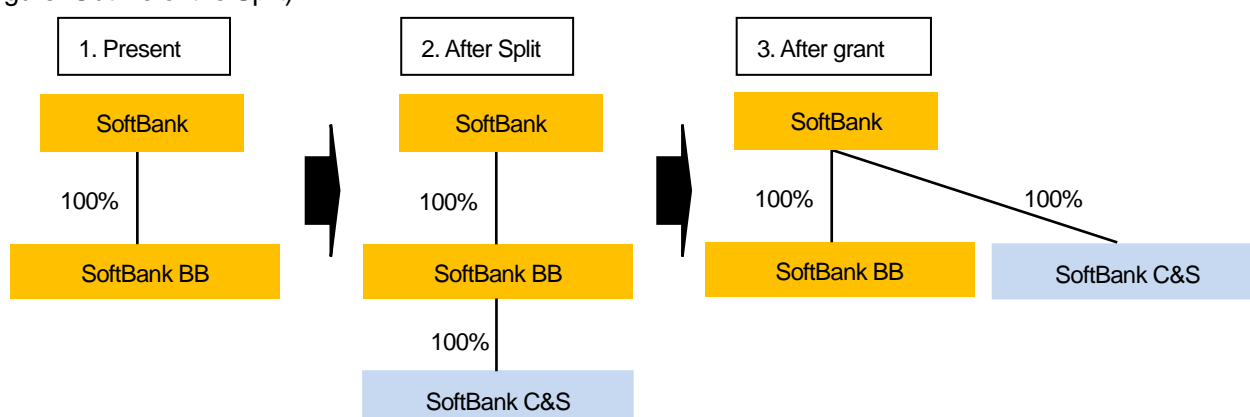
Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	JPY 63.6 billion	Current liabilities	JPY 51.8 billion
Non-current assets	JPY 5.8 billion	Non-current liabilities	JPY 400 million
Total assets	JPY 69.4 billion	Total liabilities	JPY 52.2 billion

(Note) The above amounts are estimates. The actual amounts to be inherited are subject to change.

### 4. Impact on the Operation Results

The Split will not impact the consolidated operation results for the fiscal year ending March 2015.

(Figure: Outline of the Split)



### III. Summary of the Transfer

#### 1. Outline of the Company to be Transferred

As described under the column on “Newly-incorporated Company” in “II. 2. Outline of the Splitting Company and Newly-incorporated Company.”

#### 2. Outline of the Transferee Company

The transferee of SoftBank C&S shares is SB C&S Holdings GK (“SB C&S Holdings”), a wholly-owned Japanese subsidiary of Brightstar. SB C&S Holdings is currently being established and its profile has yet to be determined. Therefore, the profile of Brightstar, its sole parent company, is included below.

(1) Name	Brightstar Corp.	
(2) Address	9725 NW 117th Ave, #300 Miami, Florida, U.S.A.	
(3) Name and title of representative	Founder and CEO Marcelo Claure	
(4) Nature of business	Mobile device distribution, supply chain solutions, handset protection & insurance, buyback and trade-in solutions, multi-channel retail solutions, and financial services	
(5) Common stock share capital	USD 2,000	
(6) Date of Foundation	September 23, 1997	
(7) Net assets	USD 638 million (as of September 30, 2013)	
(8) Total assets	USD 3,905 million (as of September 30, 2013)	
(9) Major shareholder and its shareholding ratio	Brightstar Global Group Inc. 100%	
(10) Relation between SoftBank	Capital	SoftBank owns approx. 57% of the voting rights of Brightstar Global Group Inc., the sole parent company of Brightstar.
	Personnel	Masayoshi Son, the chairman and CEO of SoftBank, is serving as the chairman of Brightstar.
	Business	SoftBank's subsidiaries SoftBank Mobile Corp. and SoftBank Telecom Corp. sell the used mobile devices to Brightstar.

#### 3. Timeline of the Transfer

Resolution at the Investment Committee (SoftBank)	February 18, 2014
Execution of the basic agreement on share transfer (SoftBank, Brightstar Global Group Inc., Brightstar)	February 18, 2014
Conclusion of the agreement on share transfer (SoftBank, Brightstar Global Group Inc., Brightstar, and SB C&S Holdings)	Latter half of March 2014 (expected)
Share transfer (SoftBank and SB C&S Holdings)	April 1, 2014 (expected)

#### 4. Number of shares to be transferred, the amount of consideration of the Transfer, and numbers of shares held before and after the Transfer

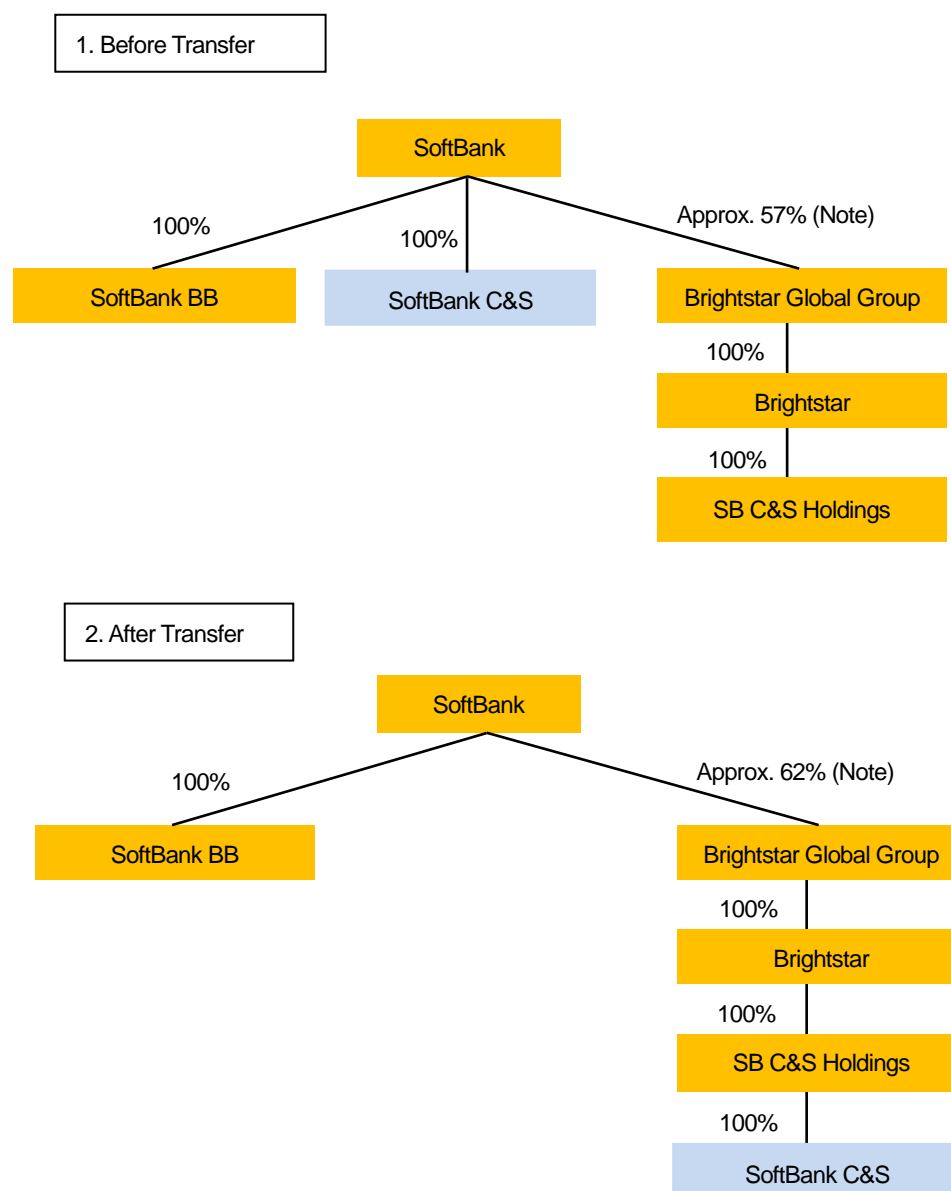
Number of shares held before the Transfer	340,000 shares (Number of voting rights: 340,000) (Voting rights holding ratio: 100%)
Number of shares to be transferred	340,000 shares
Consideration	Number of Brightstar Global Group Inc.'s common shares

	which would increase the percentage of Brightstar Global Group Inc.'s common shares held by SoftBank to approx. 62%.
Number of shares held after the Transfer	0 shares (Number of shares held indirectly: 340,000) (Number of voting rights: 0 (Number of voting rights held indirectly: 340,000)) (Voting rights holding ratio: 0% (Indirect holding ratio: 100%))

## 5. Impact on the Operation Results

The Transfer will not have a significant impact on the consolidated operation results for the fiscal year ending March 2015.

(Figure: Outline of the Transfer)



(Note) Percentages based on voting rights and common stock. As announced in the press release titled "Acquisition of Brightstar Corp. Shares" dated October 19, 2013, SoftBank owns a warrant that provides SoftBank with the rights to acquire a number of common shares of Brightstar Global Group Inc. for de

minimis value (the "Warrant"). Upon full exercise of the Warrant, SoftBank will hold approx. 70% of the shares of Brightstar Global Group Inc. before the Transfer and approx. 73% after the Transfer.

(Reference) Forecast of the consolidated operation results and the results of the previous fiscal year SoftBank projects net sales of at least JPY 6 trillion, EBITDA of at least JPY 1.5 trillion, and operating income of at least JPY 1 trillion under IFRSs in the fiscal year ending March 31, 2014 ("FY2013"). This operating income includes gains of JPY 253.9 billion in total resulting from the reevaluation of the existing equity interests held in GungHo Online Entertainment, Inc. and WILLCOM, Inc. at fair value when both companies became subsidiaries.

For the fiscal year ending March 31, 2015 ("FY2014") SoftBank projects net sales of JPY 7 trillion, EBITDA of JPY 2 trillion, and operating income of JPY 1 trillion. Temporary gains including income from remeasurement relating to business combination are not anticipated to occur. In combination with continued steady trends in the Mobile Communications segment, the operation results of the Sprint segment are forecast to show marked progress, resulting in continued operating income growth (comparison with FY2013 operating income discounts the abovementioned temporary gains).

Forecast for fiscal years ending March 31, 2014 and 2015

	Fiscal year ending March 31, 2014	Fiscal year ending March 31, 2015
Net sales	at least JPY 6 trillion	JPY 7 trillion
EBITDA	at least JPY 1.5 trillion	JPY 2 trillion
Operating income (incl. temporary gains)	at least JPY 1 trillion (JPY 253.9 billion)	JPY 1 trillion (-)

EBITDA: net sales - cost of sales - selling, general and administrative expenses + depreciation and amortization