

Mobile Services go beyond handsets



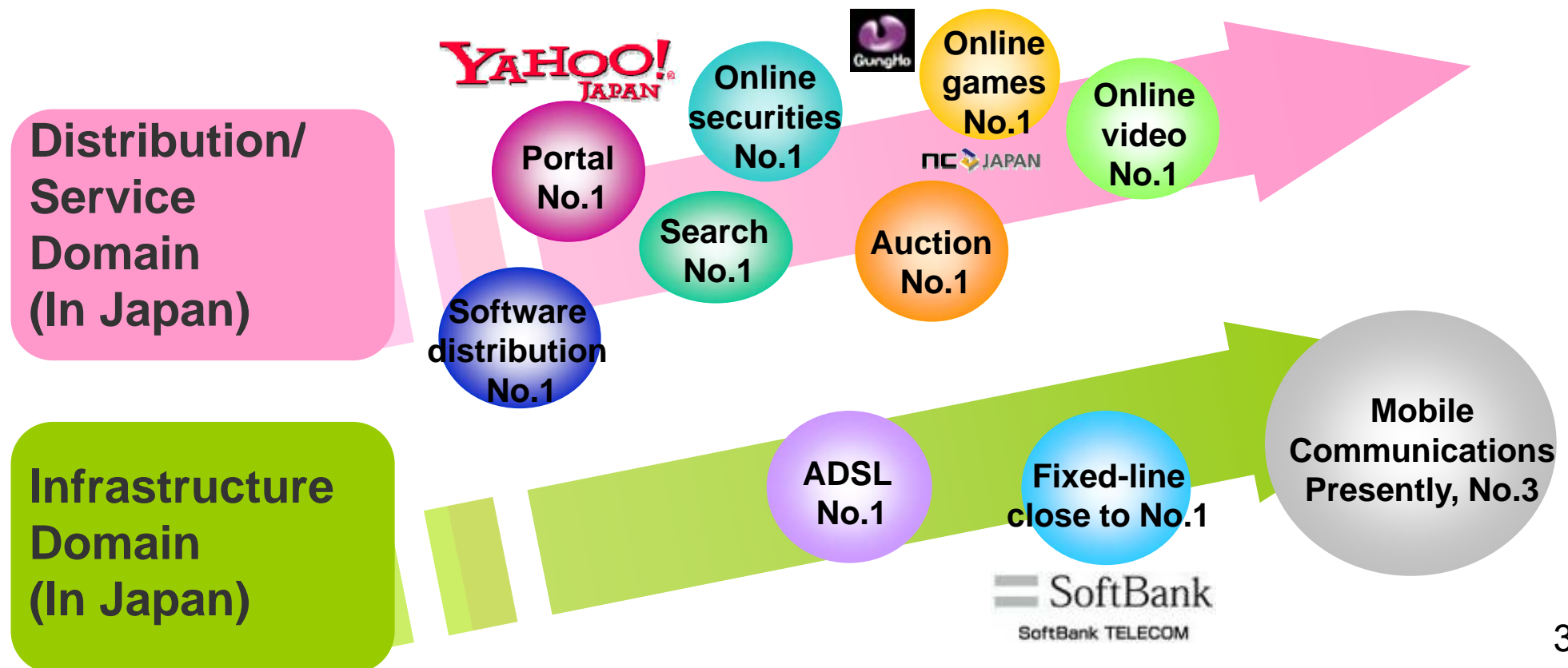
February 17, 2011

Ted Matsumoto

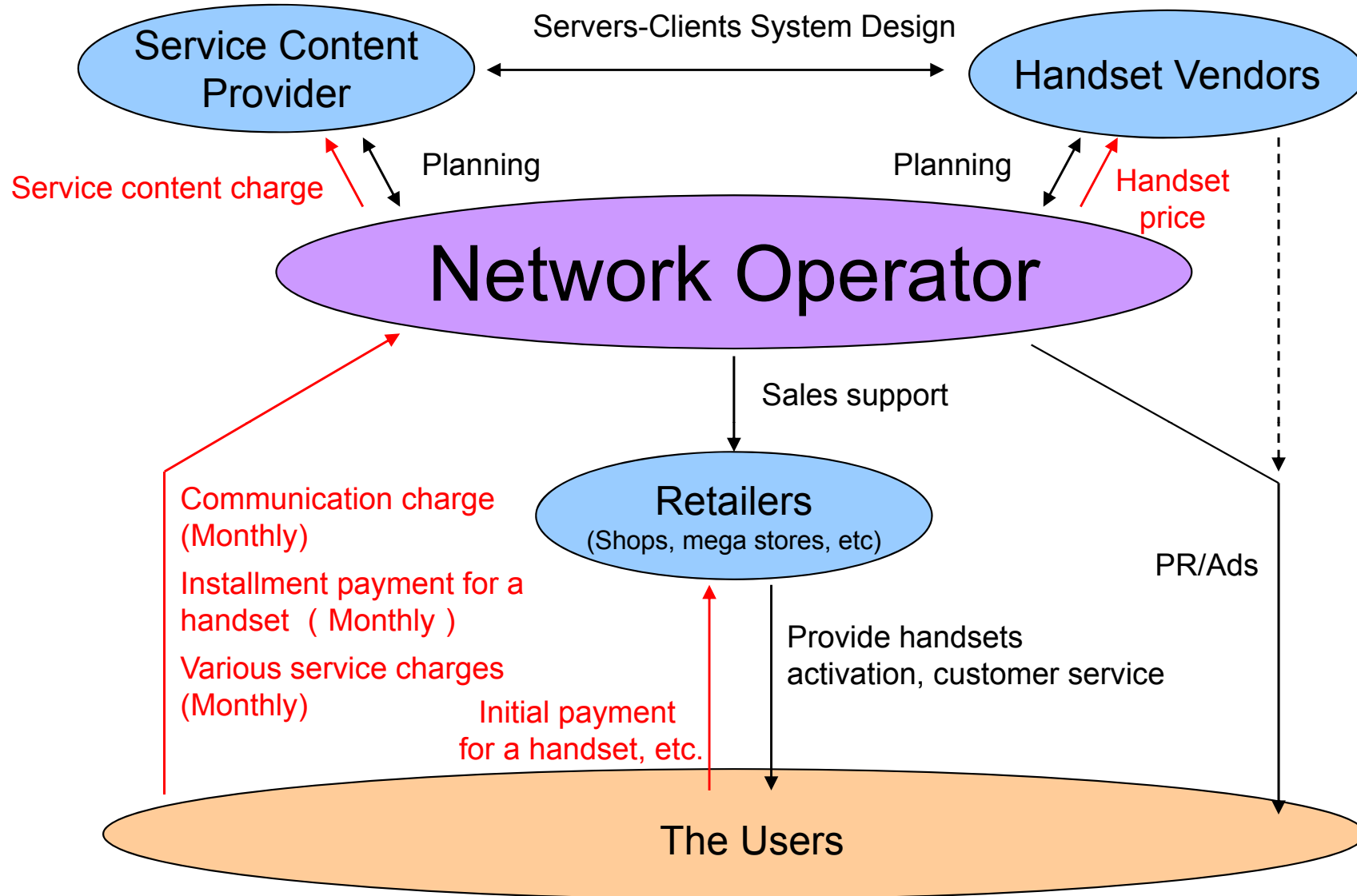
**Senior Executive Vice President
SOFTBANK MOBILE Corp.**

SOFTBANK CORP.

- Holding Company with 116 subsidiaries and 22,000 employees.
- Established in Sept. 1981 by Masayoshi Son as a software wholesaler.
- Grew together with the growth of internet.
- Come to the judgment that it is indispensable to own communication carrier business to take a leadership in the integrated information service market.

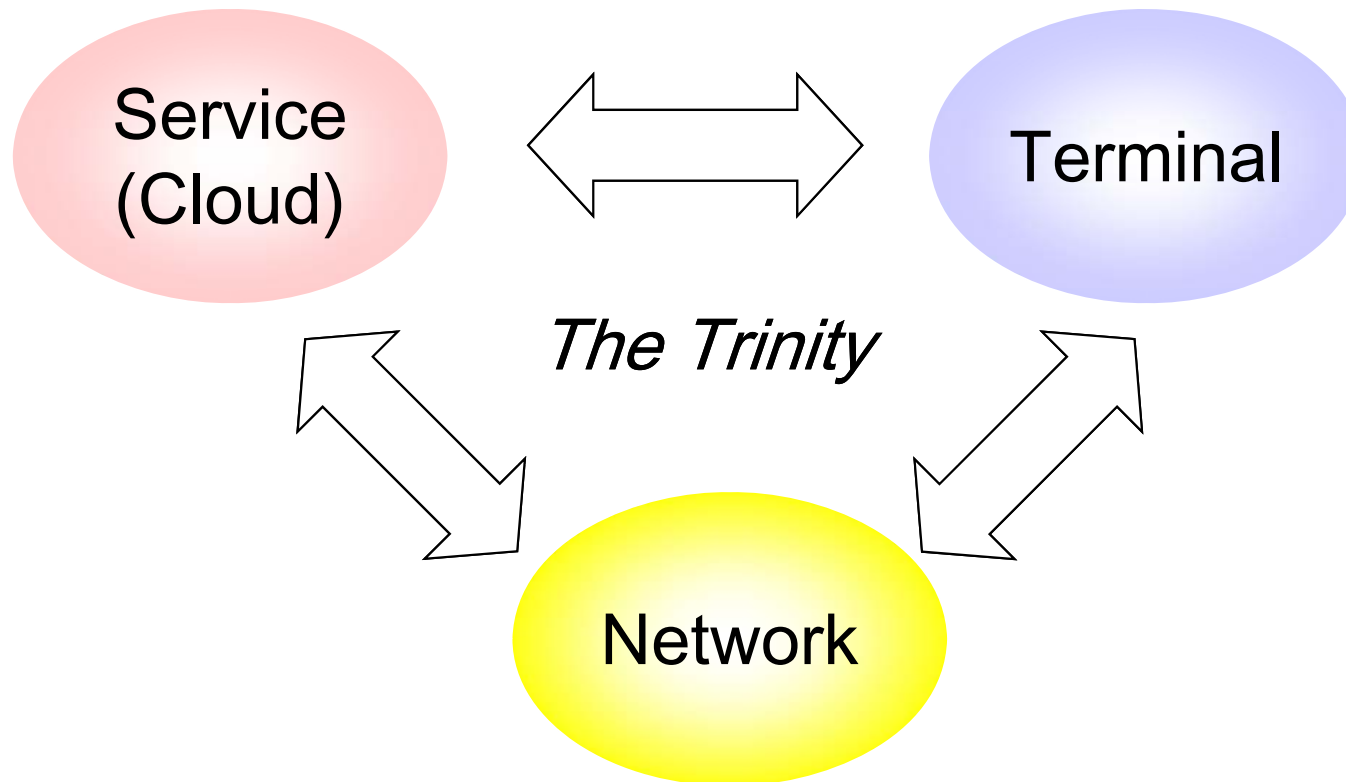


Ecosystem of Mobile Business in Japan

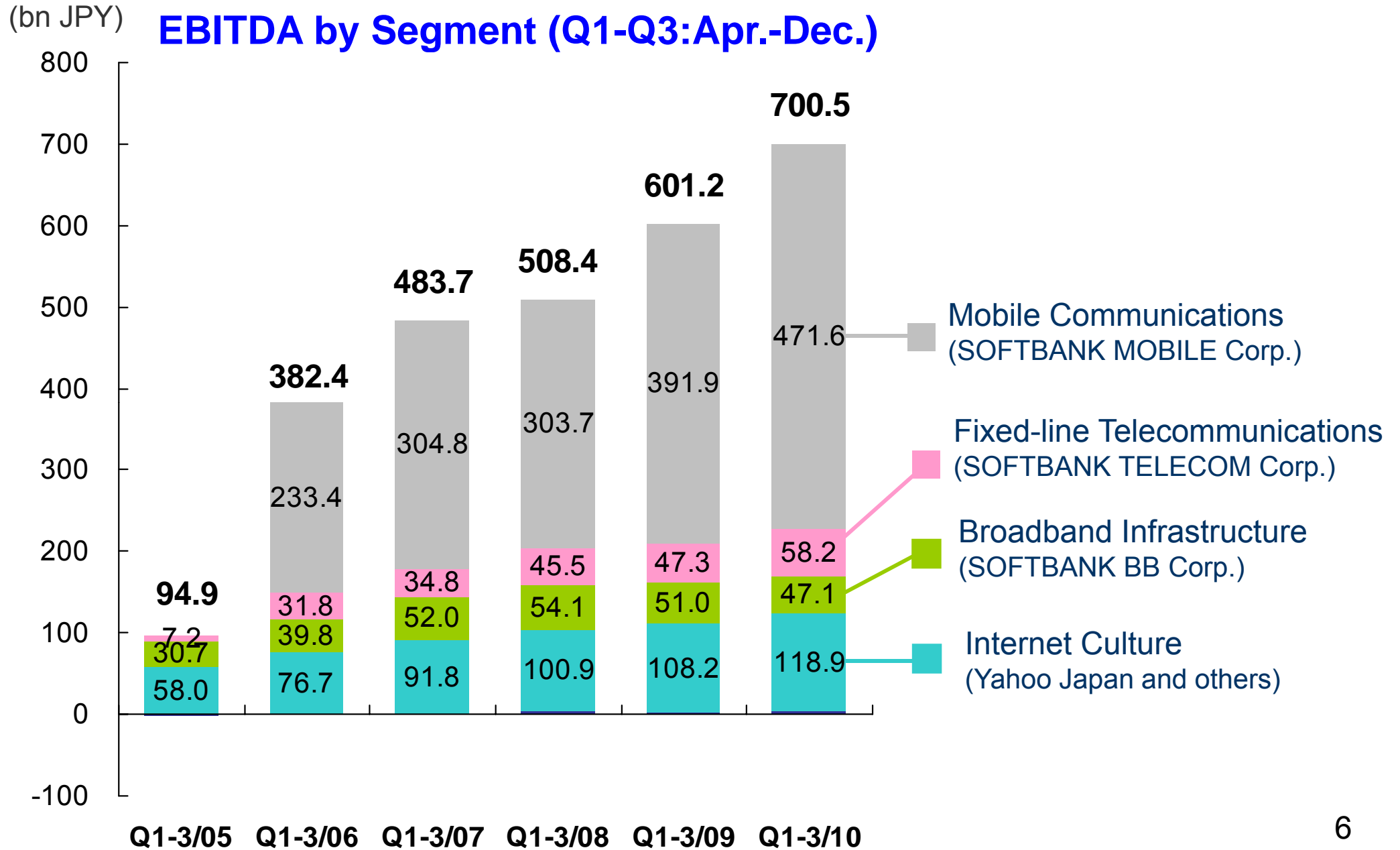


SoftBank is a “Total Value” Provider

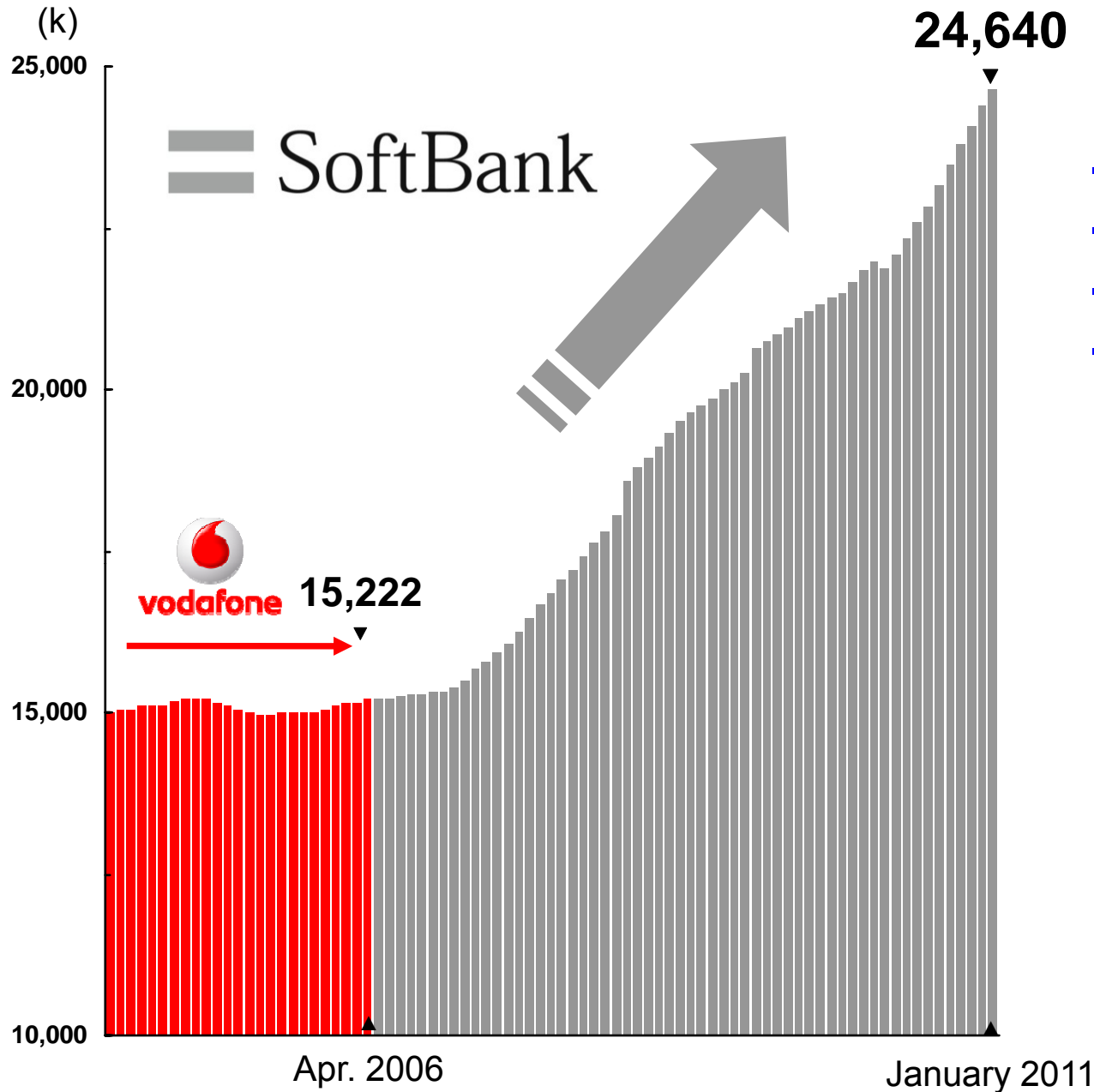
- Users are interested in only one thing;
“What terminal shall I buy, how much money should I pay every month, and then what can I do?”
- Some one should provide a **Total Value Package** with **One-stop shopping/One-stop Billing**, taking all the accountability for the entire package.



Mobile Business dramatically changed the financial structure of SoftBank



Significant increase of subscribers after SoftBank took over



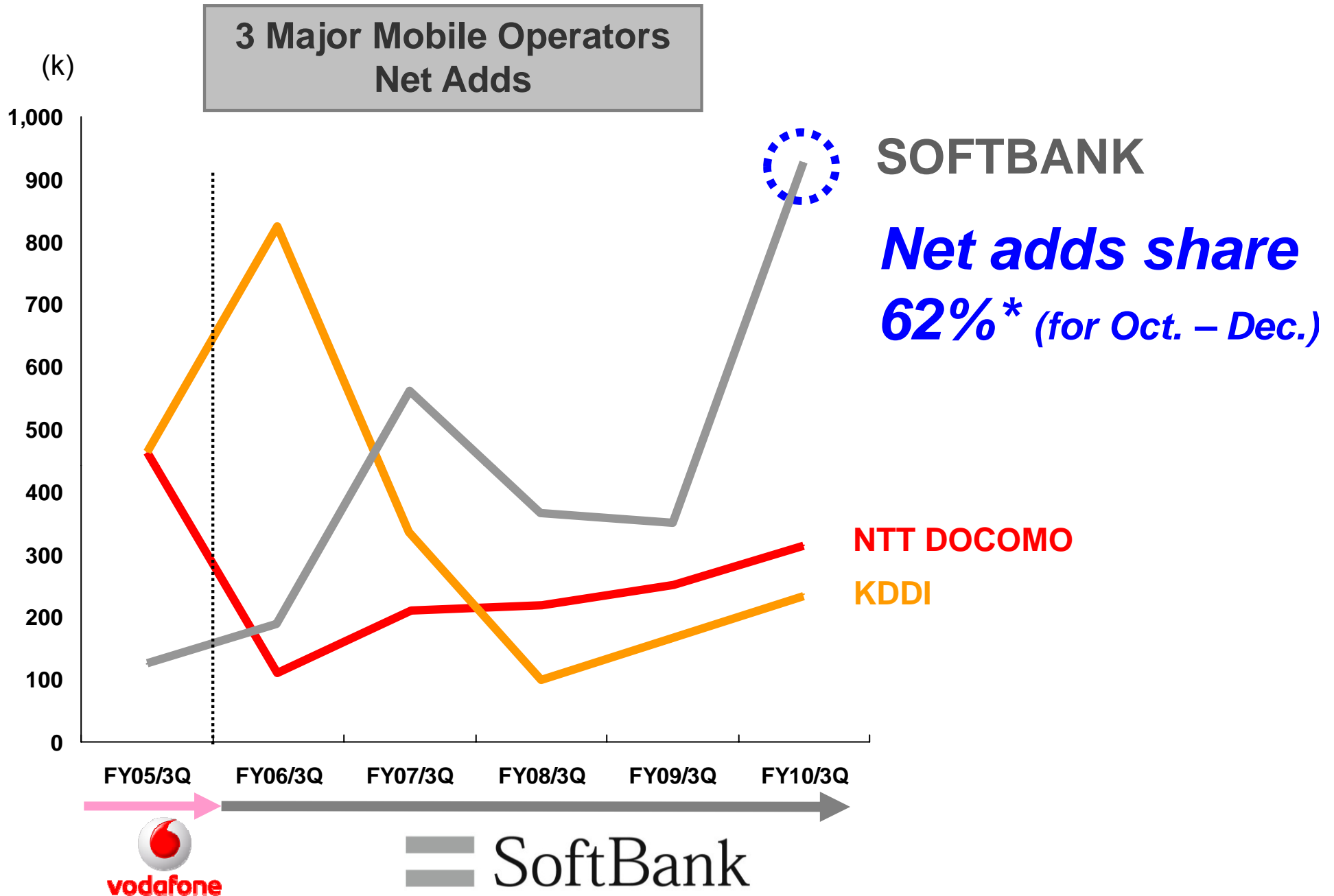
Enhancement of

- Network
- Handsets line-up
- Data Services
- Marketing and Distribution

made it happen



Competitive landscape has also been changed

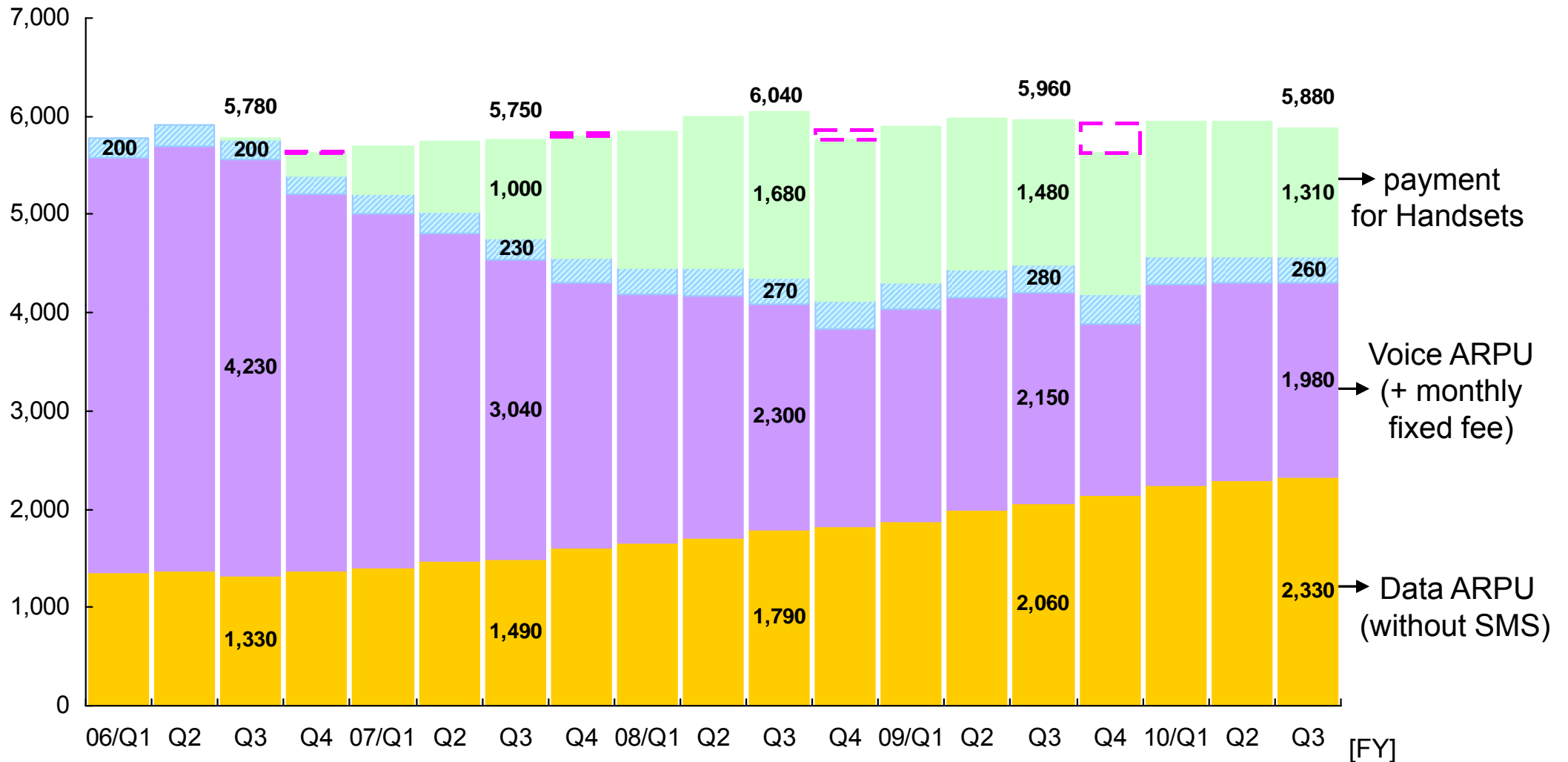


* Calculated by SOFTBANK based on Telecommunications Carriers Association data.

Data ARPU is 54% of the total ARPU

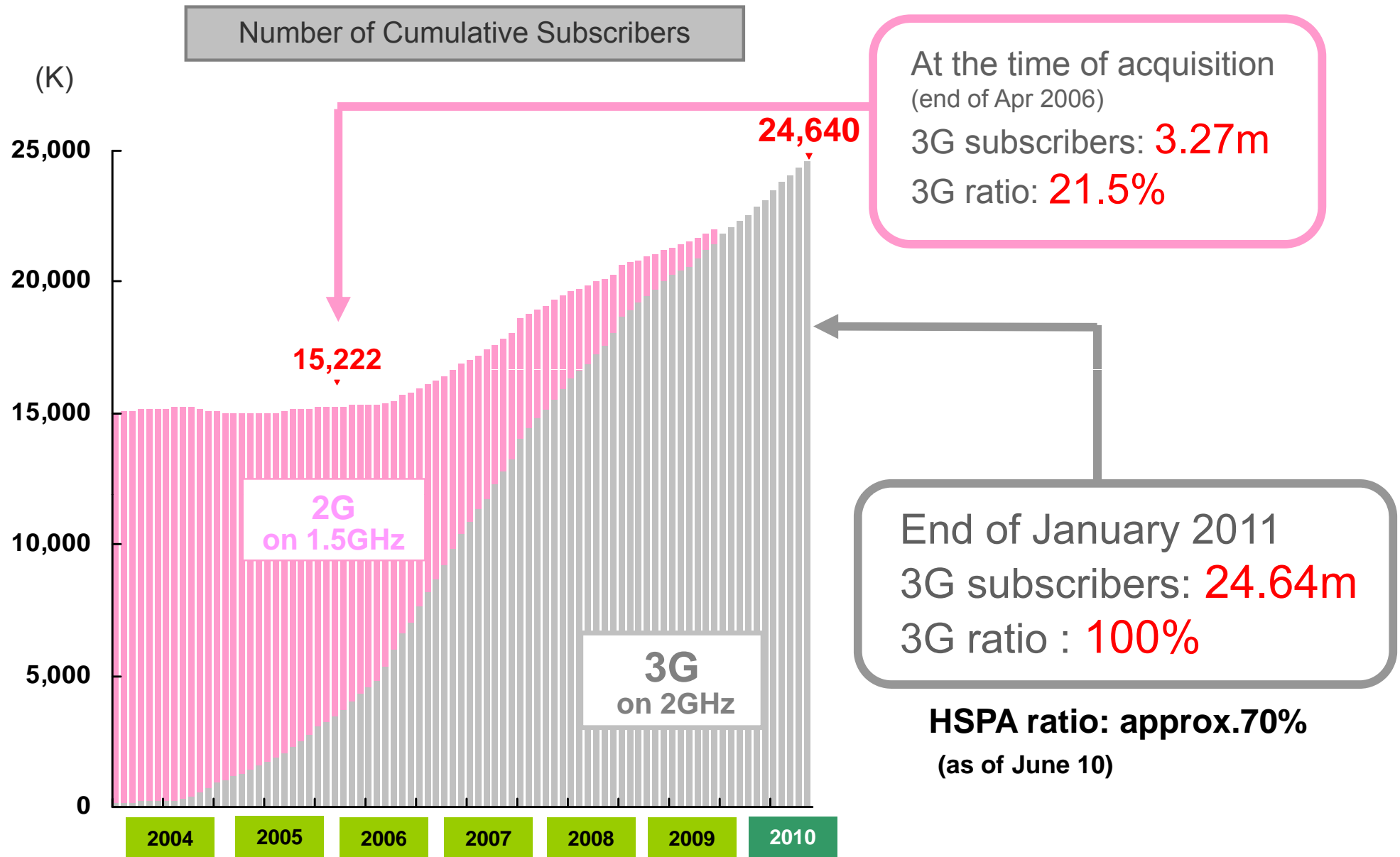
- Cash income per subscription sustains steadily.
- Data ARPU reached US\$28

(Unit (Japanese Yen))



Note: cash income per subscription = ARPU + handset installment payment + backup service package, etc.

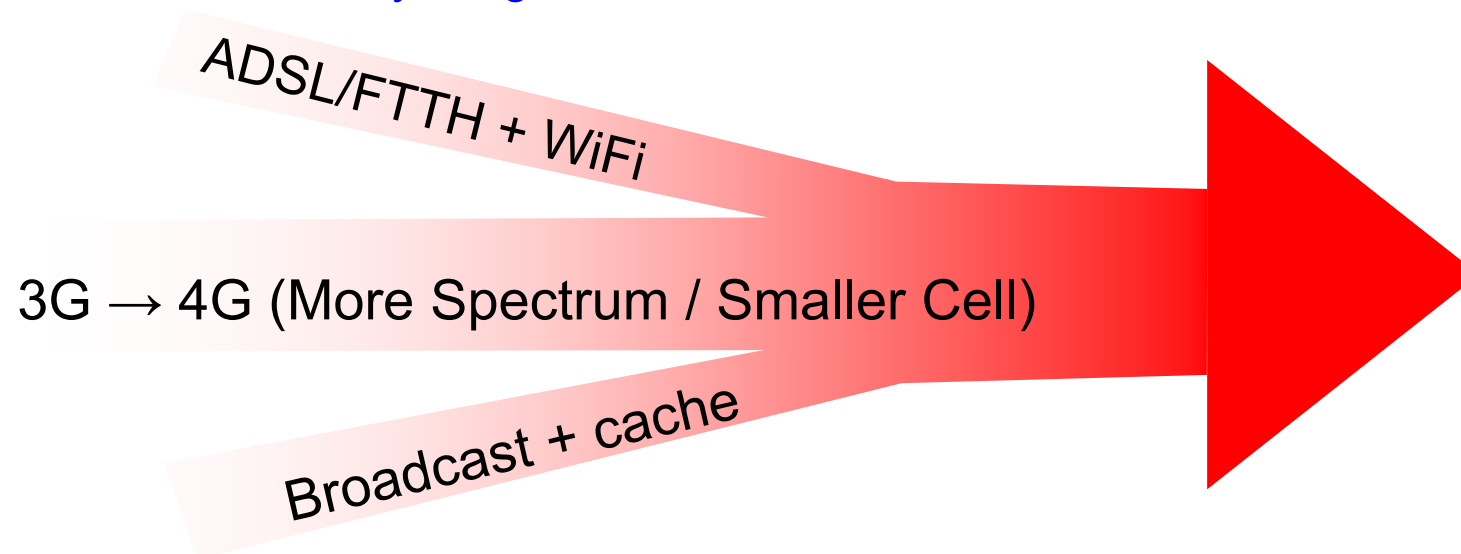
Now, all the Network is 3G



* HSPA base stations cover **approx.90%** of the population

Future Network should be the combination of multiple technologies

- Future data traffic would be very big (50-100 times), unpredictable and download-heavy.
 - Mobile Network cannot solely support all of such traffic.
- Different network should jointly support the total traffic burden, depending on the places and the types of services.
 - It should be seamlessly integrated on one handsets.



- As only the mobile network (3G/4G) can assure “anytime and anywhere (ubiquitous)” communication link, its value will never be diminished.
 - Mobile operators should charge the users, not based on the number of 3G/4G packets, but based on the “total value” they provide.

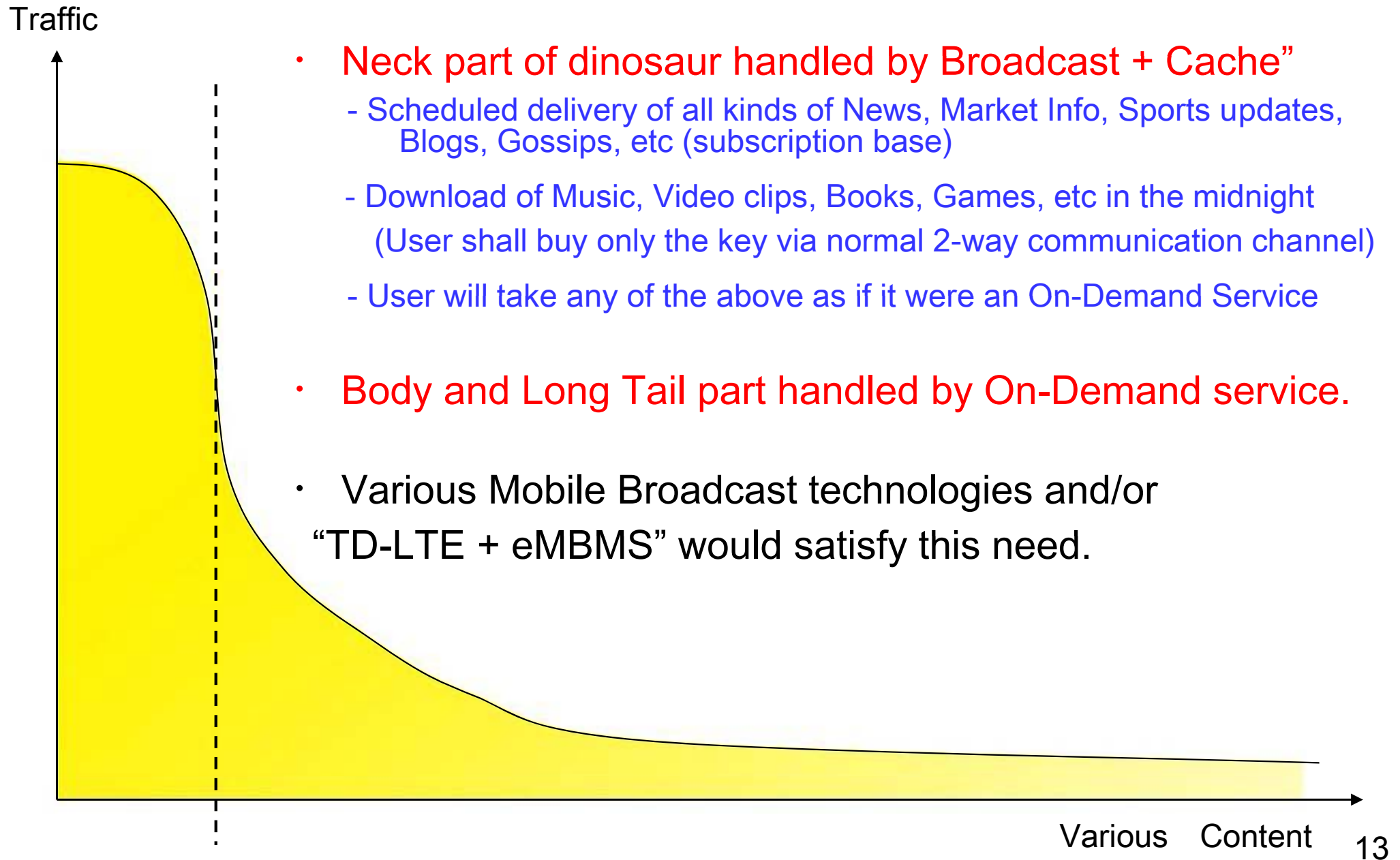
WiFi and Mobile complement each other

- Mobile network technologies were originally developed with an aim to seamlessly cover vast areas and enable uninterrupted communications in all kinds of environment.
- WiFi was developed with an aim to enable a high-speed wireless access in the wired system's last several tens of meters.



- They mutually complement, rather than compete against each other.
 - “Islands of WiFi in Mobile Ocean” is the image.
 - We would be happy if 75-85% of traffic is absorbed by WiFi.

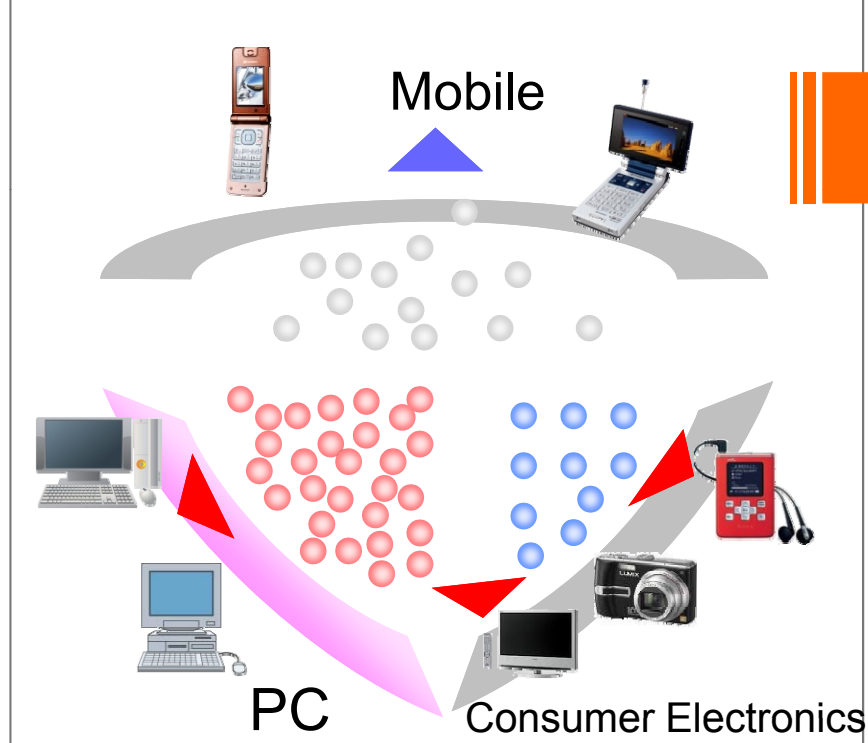
Broadcast + Cache is the new way of Traffic offload



Internet Services will become seamless

Present

- The users access various contents services from their PCs
- Most of audio/video services are provided on consumer electronics

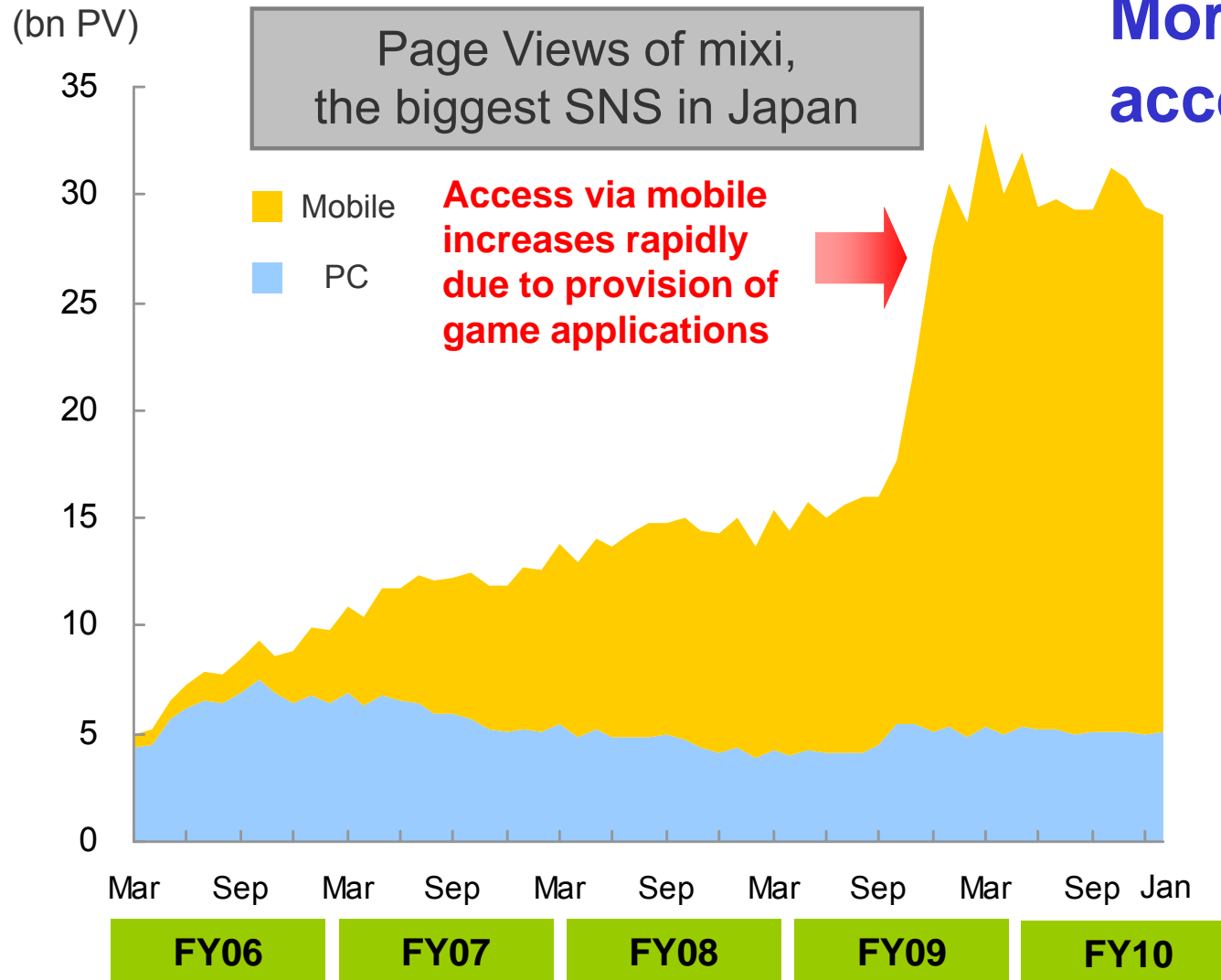


Future

- All the services are equally provided to various user equipments



Access is Shifting from PC to Mobile

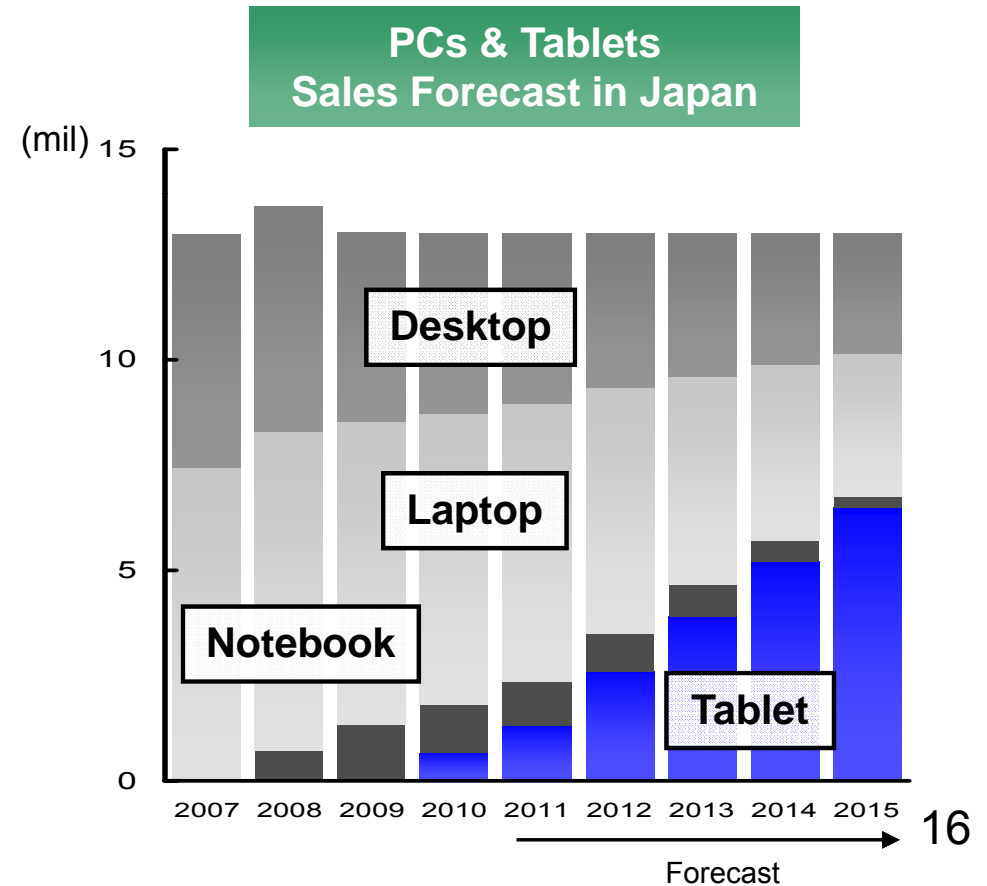
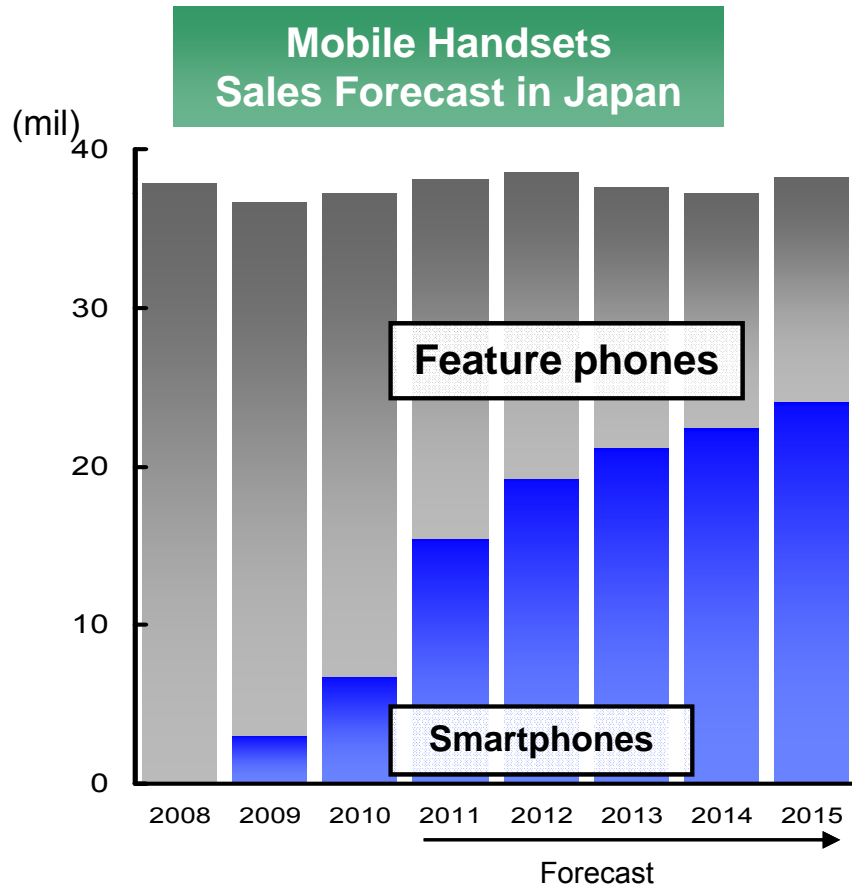


More than **85%** access is from Mobile



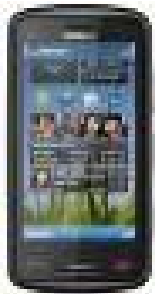
Tablet is something between PC and Smart Phone

- The Tablet is the “Advanced Net PC” without hard keyboard, as well as the large screen version of “Advanced Smart Phone”.
- Many users may first think they will use the Tablet only in the fixed environment, and, accordingly, may judge WiFi only model might be good enough.
- But, once it becomes a part of their daily life, they start understanding that they cannot miss it anytime and anywhere, and, thus, 3G is needed.



Mobile carriers' message to the Smart phone and Tablet users

- Carry your Smart phone always in your pocket, and, carry your Tablet in your bag. (When you travel, also carry keyboard and AC power supply.)
- At your home and at your office, use WiFi. Don't use 3G/4G network for data. (We want to keep your monthly bill as small as possible.)
- Use the TV screen at any place, when you want to show something you have in your Smart phone or Tablet to other people.



Demands for ubiquitous 3G connection is expanding

- Displays and Cameras, anywhere
- Sensors and Meters, anywhere.
- 3G connection for every electronics gadgets.
- “Remote Monitoring” for the peace of mind.
- Health care products needs 3G
- 3G connection is indispensable for “Point of sales”



PhotoVision



Kids Monitor



Watching Camera



Weight Scale



Blood Glucose Monitor



Vending Machine



Cash Register



Barcode Reader



Display Advertisement

Why 3G connection?

- **Except those devices generating very heavy data traffic, 3G will provide the most economical communication link.**
 - 3G is the best way to eliminate wiring, and, thus, save the high civil work cost.
 - 3G connects any terminal directly to the Cloud, eliminating the Intermediate Servers.
- **3G connection provides the “peace of mind”, even in case the chance of using it is very slim.**
 - Communication fee should not be charged on the volume of transmitted data packets, but on the “value” it provided .

3 new SoftBank products with embedded 3G module

**The word M2M may be misleading.
It's actually M2H (Human) or H2M**

- It's too risky to allow M2M traffic grow without control.

**Photo Vision has been already very well accepted
in the market for the past 20 months. Other 2 new
products are just going to be launched.**

**Total number of M2M products of SoftBank is now
1,133,838.**

Photo Vision (Digital Photo Frame)

**E-mail to Photo Vision
attaching pictures!**



- **Various viewing modes**



with Clock



with Calendar



Multiple

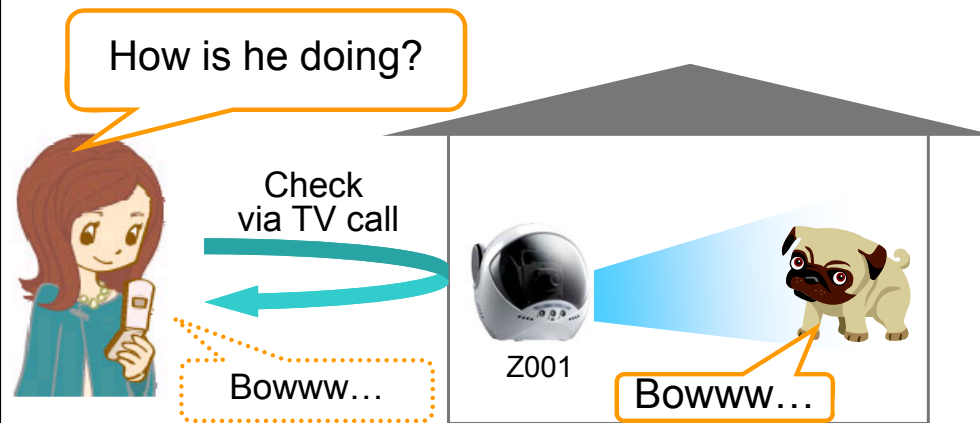


with Text Mail

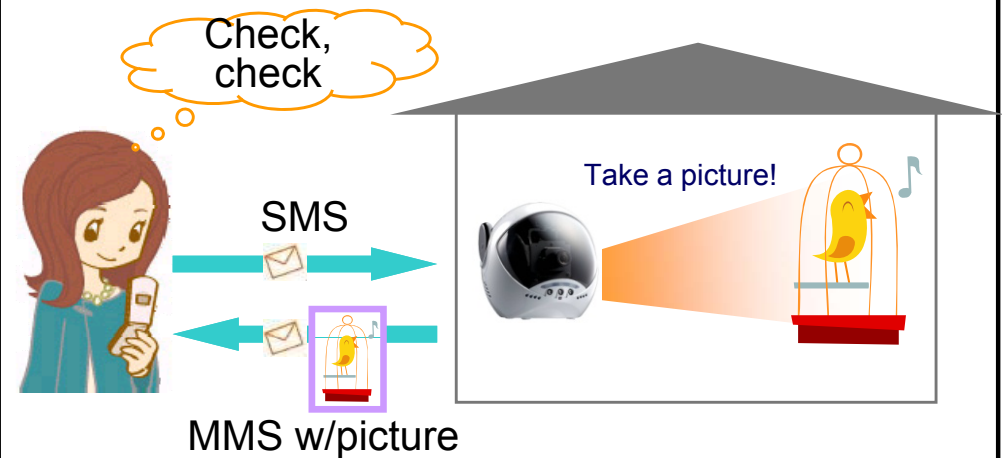
Basic service charge: JPY690 / month

Mimamori-Camera (Watching) Service

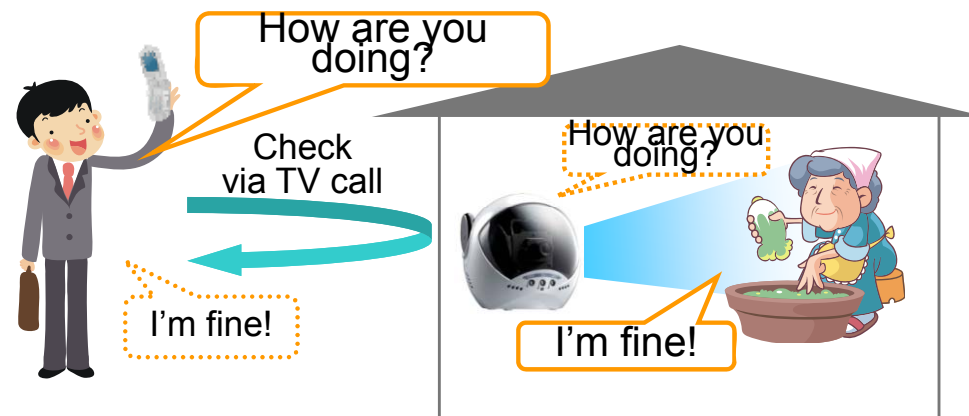
You can check your pet from outside



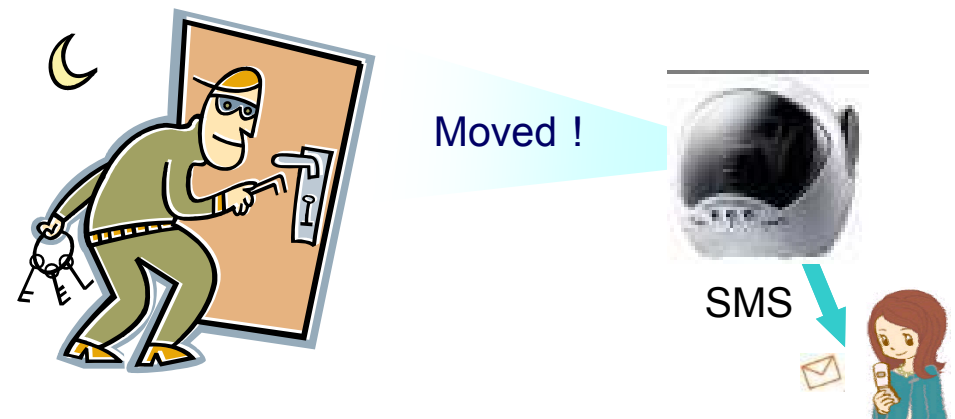
You can take a picture from outside



Watch your family living far away



Give alarm and start to recording by detecting the moving subject



Hardware Price : JPY23,520 (JPY980*24months)
Basic service charge : JPY490 / month

Tariff TV call : JPY 21 / 30sec
MMS/SMS : Free

Mimamori-Keitai (Watching) Service

