

Japan Internet company SoftBank's profit suffers over Sprint

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A man walks past a sign of SoftBank in Yokohama, near Tokyo, Wednesday, Feb. 10, 2016. Japanese telecommunications and Internet company SoftBank is reporting an 88 percent drop in fiscal third quarter profit as it struggles to turn around its U.S. carrier Sprint. (AP Photo/Eugene Hoshiko)

Japanese telecommunications and Internet company SoftBank is reporting an 88 percent drop in fiscal third quarter profit as it struggles to turn around its U.S. carrier Sprint.

SoftBank Group Corp. reported Wednesday a 2.3 billion yen (\$20 million) October-December profit, down from 18.7 billion yen the same period a year earlier.

As the first to offer the iPhone in Japan, SoftBank's business in Japan is going strong, but it has faced a challenge with money-losing Sprint.

Sprint has promised to create a superior network, offer competitive prices and provide better services. The company based in Overland Park, Kansas, says it's on track to cut \$800 million in costs for fiscal 2015, having slashed 2,500 jobs since the fall, or 8 percent of its workforce.

But SoftBank did not give any full year projections. "Currently it is difficult to provide forecasts on the results in figures due to a large number of uncertain factors," it said.

Chief Executive Masayoshi Son repeatedly promised in his earnings presentation Wednesday that the dismal results at Sprint had bottomed out and things were about to improve.

"Sprint is where there's the biggest gap between many people's image and my image," he said.

Waste was massive in the past at Sprint, but executives were working on eliminating such waste, Son said. He also said users are no longer quitting Sprint, and the carrier was doing consistently well in connection speed tests.

SoftBank's mobile connections in Japan are "the best in the world," Son said, implying his company had the experience to deliver that eventually in the U.S. and elsewhere.

The costly investments in delivering such good connectivity and speed in

mobile networks in Japan were finally about to translate to strong revenue, he said.

SoftBank, which sells the Pepper humanoid companion robot, has entered the electricity business in Japan with solar energy. The power sector was only recently deregulated in Japan, allowing newcomers like SoftBank.

Son said his company can maintain customers in Japan by offering various services in a package, such as mobile, Internet and electricity. Son has opposed atomic power since the March 2011 nuclear disaster in Fukushima, northeastern Japan, and he may have an edge in winning sympathizers to his utility business, which is not dependent on reactors.

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