

Softbank's quarterly profit drops 49 percent on Sprint woes

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In this Nov. 4, 2014 file photo, SoftBank founder and Chief Executive Officer Masayoshi Son speaks during a news conference in Tokyo. Japanese Internet company SoftBank Group Corp., which is struggling to turn around Sprint in the U.S., is reporting a 27 percent drop in profit for the fiscal year ended March 31, compared to the previous year. (AP Photo/Eugene Hoshiko, File)

Japanese Internet company SoftBank Group Corp., which is struggling to turn around Sprint in the U.S., reported Tuesday a 49 percent plunge in

profit for the January-March quarter to 45.2 billion yen (\$415 million), compared to the same period the previous year.

Tokyo-based SoftBank had recorded a profit of 88.9 billion for the final quarter of the previous fiscal year. It didn't give a forecast, citing many uncertain factors. Quarterly sales rose 6.7 percent to 2.3 trillion yen (\$21 billion). Sales for the fiscal year that ended in March totaled 9.15 trillion yen (\$84 billion), up nearly 8 percent on year.

Profit attributable to the parent for the fiscal year dropped 29 percent to 474.2 billion yen (\$4.4 billion), but last fiscal year's profit was inflated by equity interest gains related to the IPO of its group company Alibaba.

Although SoftBank's mobile and broadband business in Japan is not lagging, it is not expected to grow in coming years, so the company is eyeing overseas growth.

Overland Park, Kansas-based Sprint, which SoftBank acquired in 2013, has promised to create a superior network, offer competitive prices and provide better services, but its revival will likely take some time.

SoftBank owns a stake in Chinese e-commerce company Alibaba Group Holding as well as Yahoo Japan.



In this Feb. 10, 2016 file photo, a man walks past a sign of SoftBank in Yokohama, near Tokyo. Japanese Internet company SoftBank Group Corp., which is struggling to turn around Sprint in the U.S., is reporting a 27 percent drop in profit for the fiscal year ended March 31, compared to the previous year. (AP Photo/Eugene Hoshiko, file)

The first to offer the iPhone in Japan, it sells the Pepper companion robot and has recently entered the solar power business.

SoftBank said Sprint recently has shown signs of a turnaround. Chief Executive Masayoshi Son reiterated at a news conference at a Tokyo hotel his promise that the bad news at Sprint was about to end and a revival would soon begin.

He pointed to the success he has had with the mobile business in Japan, which was dismal in the beginning but now boasts an excellent reputation for cellphone connectivity. He said he would do the same at Sprint.

"On my pride, I promise a V-shaped recovery," he said.

Son also stressed he was bullish about investing in India and other emerging markets, where he said entrepreneurship was thriving like the Silicon Valley of the past.

Indian companies in which SoftBank has invested are growing, including games, online-messenger and retail businesses, he said.

Son, who has opposed atomic power since the March 2011 nuclear disaster in Fukushima, northeastern Japan, is promising to package various services for Japanese consumers, such as mobile and Internet access and electricity.

He acknowledged the electricity business was barely getting started, saying it was his "life work" to promote renewable energy.

Son also said SoftBank mobile connections came back up right after the recent quake in Kumamoto, southwestern Japan, because of the lessons the company had learned in the 2011 disaster, and the investments the company has made in infrastructure.

"The reliability of mobile communication can help save lives," he said.
"And we are No. 1 in the world."

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