

SoftBank profit up 19 pct as Japan sales offset Sprint loss

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In this June 18, 2015 file photo, Softbank Corp. Chief Executive and founder Masayoshi Son attends a press conference on the sales launch of its humanoid robot Pepper in Maihama, near Tokyo. SoftBank, the Japanese technology company that owns U.S. wireless carrier Sprint Corp., reported Thursday, July 28, 2016, a fiscal first quarter profit of 254.2 billion yen (\$2.4 billion), up 19 percent from the same period last year. (AP Photo/Shizuo Kambayashi, File)

SoftBank Group Corp., the Japanese technology company that owns U.S. wireless carrier Sprint Corp., reported Thursday a fiscal first quarter profit of 254.2 billion yen (\$2.4 billion), up 19 percent from the same

period last year.

Healthy telecommunications operations in Japan offset losses at Sprint, helping lift quarterly sales by 3 percent to 2.13 trillion yen (\$20.3 billion). April-June 2015 profit had totaled 213.4 billion yen. The Tokyo-based company, the first to start selling the iPhone in Japan, did not give forecasts, citing uncertainty.

SoftBank announced earlier this month it's buying Britain's ARM Holdings for 24.3 billion pounds (\$32 billion), in a deal the British government hailed as a vote of confidence, despite the recent vote to leave the European Union.

The move underlines SoftBank's ambitions in the "Internet of Things," or how various devices, including security cameras and household appliances, connect online and work together.

The deal, which SoftBank hopes to complete by the end of September, still needs approval by British courts and by ARM shareholders, who have been advised by the board to accept the offer.

Separately, SoftBank has sold its stake in Finnish game developer Supercell to Chinese technology firm Tencent in a deal that values the company at about \$10.2 billion.

SoftBank has repeatedly promised that a turnaround is coming at Sprint.

"Sprint is no longer dragging us down but is about to turn into a cash maker for us," SoftBank Chief Executive and founder Masayoshi Son told reporters at a Tokyo hotel.

Sprint sales were actually better in dollar terms, and only lower because of an unfavorable currency exchange rate. Revenue and user gains were

improving, he said.

Son remains aggressive in purchases and sales for his sprawling empire that also includes a solar power business, humanoid robots for home use, ride-booking services and financial technology.

He said borrowings for his acquisitions, including ARM, are not a risk because of the ample cash flow generated by SoftBank's Japan operations, including its smartphone, broadband and Yahoo e-commerce businesses.

He said the profitable ARM was central to SoftBank's future core business. He said he borrowed a third of the purchase and paid the rest of it in cash.

"At least personally I'm not worried," he said.

Son announced earlier this year that Nikesh Arora, who joined SoftBank from Google in 2014, and was viewed as his successor, will leave the company, because Son, who is 58, decided he wanted to stay at his job for another decade.

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