

Attachment 1 to IBFS Form 312
Application for *Pro Forma* Transfer of Control

Response to Question No. 43 – Description of Application

**PUBLIC INTEREST STATEMENT AND
DESCRIPTION OF *PRO FORMA* TRANSFER OF CONTROL**

INTRODUCTION

Sprint Corporation (“Sprint”), on behalf of itself and its subsidiaries, seeks the consent of the Federal Communications Commission (“Commission” or “FCC”) for a contemplated *pro forma* transaction. As described more fully below, SoftBank Group Corp. (“SoftBank”), the entity that ultimately holds the majority of Sprint’s equity and voting interests, wishes to undertake a *pro forma* internal restructuring. Specifically, with respect to its intermediate and holding companies, SoftBank wishes to insert a wholly owned subsidiary (BM Holdings GK) into the vertical ownership chain between it and the holding companies in which its Sprint shares are currently held. Although this corporate reorganization will not result in a substantial transfer of control of Sprint and its licensee subsidiaries, the insertion of this entity into the ownership chain will result in a new disclosable indirect interest holder in Sprint. Sprint therefore seeks prior approval for those licenses and authorizations for which such approval is required. Pursuant to the Commission’s rules, Sprint intends to file post-consummation notifications of this *pro forma* restructuring for its remaining licenses and authorizations.

DESCRIPTION OF THE PARTIES

SoftBank

SoftBank is a Japanese kabushiki kaisha¹ and holding company that is publicly traded on the Tokyo Stock Exchange.² SoftBank's subsidiaries and affiliates are engaged in a number of information technology and Internet-related businesses, including mobile communications, broadband infrastructure, fixed-line telecommunications, e-commerce and web portals. In July 2013, following approval by regulatory authorities, SoftBank acquired an approximately 78% indirect interest in the entity that is now Sprint.³ As of December 31, 2015, SoftBank held an approximately 83.4% indirect interest in Sprint through two wholly owned subsidiaries: Starburst I, Inc. ("Starburst I") and Galaxy Investment Holdings, Inc. ("Galaxy"). Specifically, SoftBank holds a 77.5% interest in Sprint through Starburst I, and a 5.9% interest through Galaxy.

¹ A kabushiki kaisha is a Japanese joint stock corporation, analogous to a U.S. C corporation.

² SoftBank Group Corp. was formerly known as SOFTBANK CORP. Since the 2013 Order (defined below), it has changed its name to SoftBank Group Corp. SoftBank Mobile Corp., which is a 100%-owned subsidiary of SoftBank Group Corp. that is otherwise unaffiliated with Sprint, changed its name to SoftBank Corp. following a merger of the former SoftBank Mobile Corp. with certain other SoftBank subsidiaries (*i.e.*, SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation).

³ The initial transactions resulting in SoftBank's acquisition of Sprint are further described in the FCC's 2013 Order approving the transactions. *See generally Applications of SOFTBANK CORP., Starburst II, Inc., Sprint Nextel Corporation, and Clearwire Corporation for Consent to Transfer Control of Licenses and Authorizations; Petitions for Reconsideration of Applications of Clearwire Corporation for Pro Forma Transfer of Control*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642 (2013) ("2013 Order").

BM Holdings GK

BM Holdings GK⁴ is a Japanese godo kaisha.⁵ It was previously a dormant investment holding company, and it is a wholly owned direct subsidiary of SoftBank. BM Holdings GK is also authorized to conduct other business, including: information provision services; information processing services; acquiring, holding and managing securities; advertising agency services; and any business related to or incidental to the foregoing.

Sprint Corporation

Sprint is a publicly traded Delaware corporation and global communications company that, through its subsidiaries, offers a comprehensive range of wireless and wireline voice and data products and services to residential, business, government, and reseller consumers throughout the United States and around the world. Sprint offers wireless and/or wireline voice and data services in all fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Sprint is primarily a holding company, with most operations conducted by its subsidiaries, including, but not limited to, Sprint Communications Company L.P., Virgin Mobile USA, L.P., and Sprint Spectrum L.P.

DESCRIPTION OF THE PROPOSED TRANSACTION

On March 7, 2016, SoftBank's Board of Directors resolved to reorganize SoftBank's intermediate and holding companies. As part of this internal restructuring, SoftBank intends to insert a wholly owned subsidiary, BM Holdings GK, into the vertical ownership chain between SoftBank and the holding companies (*i.e.*, Starburst I and Galaxy) in which its Sprint shares are currently held. Specifically, and subject to all necessary regulatory approvals, SoftBank will

⁴ On March 31, 2016, it was internally resolved to change BM Holdings GK's name to SoftBank International GK. Formal registration of the name change remains pending.

⁵ A godo kaisha is a Japanese company analogous to a U.S. limited liability company, which offers limited liability to its members.

transfer 100% of Galaxy shares and 15,300 Starburst I shares (approximately 70.4% of SoftBank's interest in Starburst I) to BM Holdings GK.⁶ Diagrams showing the relevant changes to SoftBank's corporate structure are attached hereto.

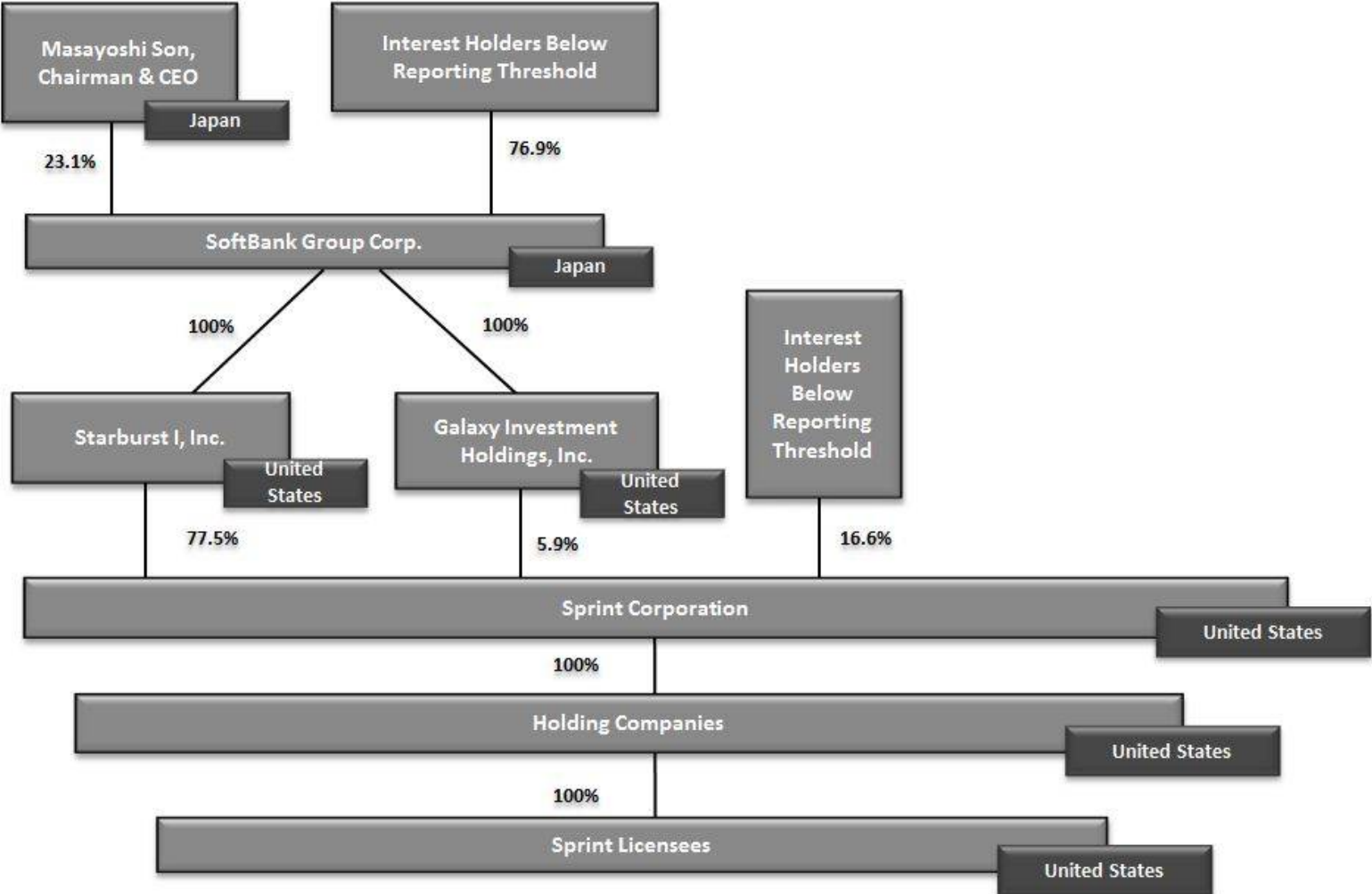
The purpose of SoftBank's proposed reorganization is to separate SoftBank's global and domestic operations, which will enable SoftBank to provide greater transparency to its shareholders in reporting the performance of its business operations in Japan and its business operations abroad. This, in turn, will serve the public interest by increasing efficiency in corporate operations and improving SoftBank's value. There will be no changes to SoftBank's stock, or to the ultimate ownership of SoftBank's voting or equity interests in Sprint, as a result of the proposed transaction. The SoftBank subsidiaries directly above Sprint (Starburst I and Galaxy) will remain the same and their ownership percentages of Sprint will not change as a result of the reorganization. Likewise, the insertion of BM Holdings GK into the SoftBank corporate structure will have no impact on Sprint's operations, certificated entities, ultimate ownership, or ultimate control, and thus will be seamless for Sprint's customers, who will receive the same services over the same facilities following the reorganization. However, as SoftBank's subsidiary, Sprint will ultimately benefit from the increased efficiency and improved transparency effected by the restructuring. As a result of reorganizing in a way that improves its value, SoftBank will be better positioned to manage and invest in Sprint's operations over the

⁶ Although no final decision has been made, at some point, SoftBank may also decide to transfer the remaining 6,422 shares of Starburst I (approximately 29.6% of SoftBank's interest in Starburst I) to BM Holdings GK. The applicants include this information in the interest of transparency, but note that such action would not require regulatory approval.

long term. Moreover, because the transaction is *pro forma* in nature, involving no change in substantial control over Sprint, it falls presumptively within the public interest.⁷

⁷ See *Federal Communications Bar Association's Petition for Forbearance From Section 310(d) of the Communications Act Regarding Non-Substantial Assignments of Wireless Licenses and Transfers of Control Involving Telecommunications Carriers and Personal Communications Industry Association's Broadband Personal Communications Services Alliance's Petition for Forbearance for Broadband Personal Communications Services*, Memorandum Opinion and Order, 13 FCC Rcd 6293, ¶¶ 8, 18 (1998).

Current
Pre-Reorganization Ownership Structure



Post-Reorganization Ownership Structure

