

**Attachment 2 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 that involves licenses and authorizations for which the forbearance procedures of 47 C.F.R. § 1.948(c)(1) do not apply. 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 swap a new wholly owned subsidiary (SoftBank Group Capital Limited) 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 change in the 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 Group Corp. (“SoftBank”) is a Japanese kabushiki kaisha (corporation) and holding company that is publicly traded on the Tokyo Stock Exchange.<sup>1</sup> SoftBank’s subsidiaries and affiliates are engaged in a number of information technology and Internet-related businesses, including mobile communications, distribution of mobile devices and accessories, sales of PC software and peripherals, semiconductor engineering for mobile devices, management of technology investment vehicles, broadband infrastructure, fixed-line telecommunications, Internet-based advertising and e-commerce, and web portals. In July 2013, following a waiver by the Commission and approval by other regulatory authorities, SoftBank acquired an approximately 78% indirect interest in the entity that is now Sprint.<sup>2</sup> As of December 21, 2017, SoftBank held an approximately 84.1% indirect interest in Sprint through SoftBank’s wholly owned subsidiary SoftBank Group International GK (“GK”). GK, in turn, held a 100% interest in Starburst I, Inc. (“Starburst”)—which itself held a 77.19% interest in Sprint—and a 100% interest in Galaxy Investment Holdings, Inc. (“Galaxy”)—which held a 7.01% interest in Sprint.

---

<sup>1</sup> The entity formerly known as Softbank Corp. has changed its name to SoftBank Group Corp.

<sup>2</sup> The initial transactions resulting in SoftBank’s acquisition of Sprint are further described in the FCC’s 2013 Order approving the transactions. *See generally In re Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corporation*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642 (2013).

Altogether, therefore, SoftBank held an indirect 77.19% interest in Sprint through Starburst and a 7.01% interest through Galaxy.<sup>3</sup>

### ***SoftBank Group Capital Limited***

SoftBank Group Capital Limited (“SBGC”) is a limited company organized in the United Kingdom. SBGC is a wholly owned direct subsidiary of SoftBank used for the purpose of managing holdings in the technology, media, and telecommunications space, and employing financial, operational and management professionals that play roles in SoftBank activities in the United Kingdom and other countries.

### ***SoftBank Group International GK***

SoftBank Group International GK is a Japanese godo kaisha (limited liability company). It is a wholly owned direct subsidiary of SoftBank. GK is an investment holding company, and 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. Since April 2017, following a reorganization approval by regulatory authorities, GK has held 100% of Starburst and 100% of Galaxy.

### ***Sprint Corporation***

Sprint Corporation (“Sprint”) is a publicly traded Delaware corporation and global communications company that, through its subsidiaries, offers a comprehensive range of wireless

---

<sup>3</sup> These ownership percentages reflect SoftBank’s current ownership holdings as filed with the Securities and Exchange Commission. *See* Sprint Corp., Schedule 13D (December 29, 2017), <https://www.sec.gov/Archives/edgar/data/101830/000119312517383511/d515898dsc13da.htm>.

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, L.P., and Sprint Spectrum, L.P.

## **DESCRIPTION OF THE PROPOSED TRANSACTION**

On December 28, 2017, SoftBank's Board of Directors resolved to reorganize SoftBank's intermediate and holding companies for the Sprint shares it controls. As part of this internal restructuring, subject to all regulatory approvals, SoftBank intends to swap a wholly owned subsidiary, SoftBank Group International GK for SoftBank Group Capital Limited, 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, SoftBank intends to complete the following two steps:

- Step 1: Galaxy Investment Holdings, Inc. ("Galaxy") and Starburst I, Inc. ("Starburst") will be transferred from their current parent—SoftBank Group International GK ("GK")—to GK's parent company, SoftBank, via a distribution.
- Step 2: Galaxy and Starburst will be transferred from SoftBank down to SoftBank's wholly owned subsidiary, SoftBank Group Capital Limited ("SBGC"), via a contribution in kind from SoftBank to SBGC.

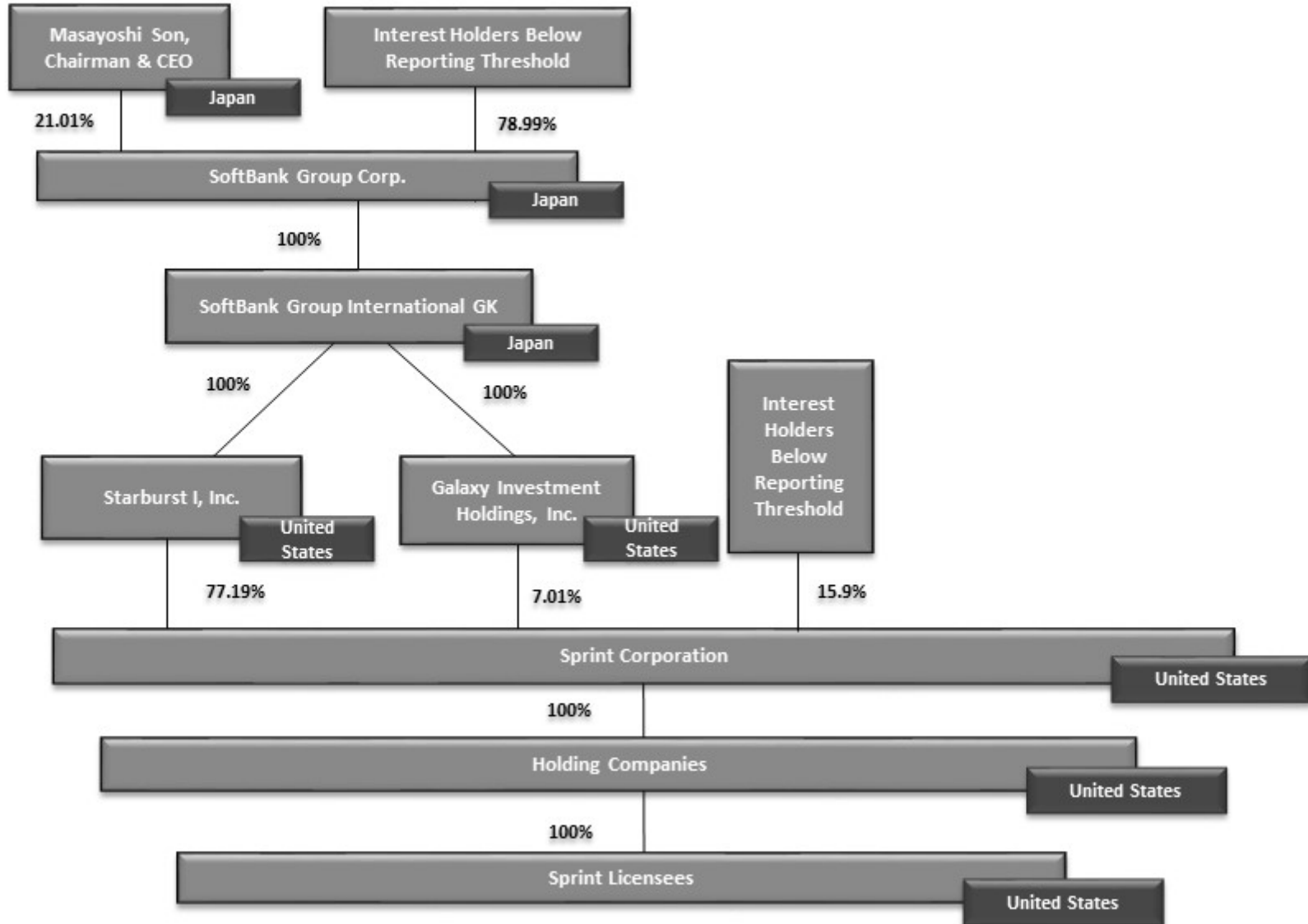
Diagrams showing the relevant changes to SoftBank's corporate structure are attached hereto.

The purpose of SoftBank's proposed reorganization is to consolidate SoftBank's global investment operations through SoftBank Group Capital Limited, which will enable SoftBank to further rationalize group management of its business and investment operations. 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. Likewise, SoftBank's reorganization will have no impact on Sprint's operations, 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 management synergies 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 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.<sup>4</sup>

---

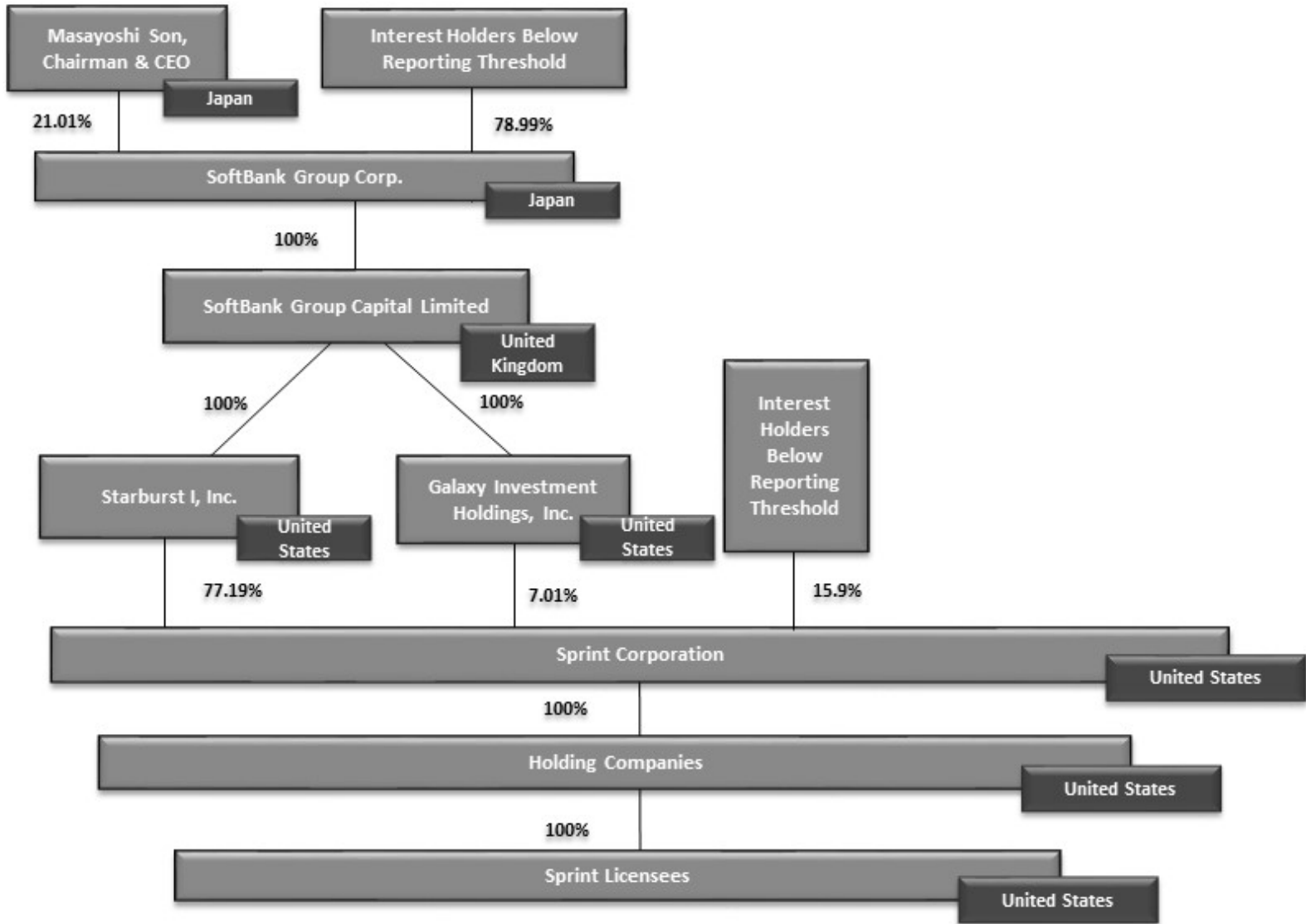
<sup>4</sup> See *Federal Communications Bar Association's Petition for Forbearance From Section 310(d) of the Communications Act Regarding Non-Substantial Assignments of Wireless Licenses and Transfers of Control Involving Telecommunications Carriers and Personal Communications Industry Association's 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<sup>1</sup>



<sup>1</sup> Ownership percentages are rounded

## Post-Reorganization Ownership Structure<sup>2</sup>



<sup>2</sup> Ownership percentages are rounded