August 1, 2017
SoftBank Group Corp.

Subsidiary Yahoo Japan Corporation to Make Japan Net Bank, Limited Its Subsidiary

SoftBank Group Corp. ("SBG") announces that on August 1, 2017 the Board of Directors of Yahoo Japan Corporation (TSE first section: 4689, "Yahoo Japan"), a subsidiary of SBG, passed a resolution to modify the shareholders agreement with Sumitomo Mitsui Banking Corporation on The Japan Net Bank, Limited (Head office: Shinjuku-ku, Tokyo; President and Representative Director: Mitsuhiro Komura; "The Japan Net Bank") and that Yahoo Japan entered into a modified agreement with Sumitomo Mitsui Banking Corporation. Along with such modification, Yahoo Japan plans to consolidate The Japan Net Bank by sending the majority of The Japan Net Bank's directors in the months ahead subject to the approval by the authorities concerned. Please see the attached notice for further details.

August 1, 2017

To whom it may concern

Yahoo Japan Corporation
Manabu Miyasaka
President and CEO
Stock code: 4689

Notification Regarding The Japan Net Bank, Limited Becoming a Consolidated Subsidiary

Yahoo Japan Corporation (hereinafter the "Company") hereby announces that the Board of Directors, at its meeting held today, resolved to modify the shareholders agreement with Sumitomo Mitsui Banking Corporation on The Japan Net Bank, Limited (Head office: Shinjuku-ku, Tokyo; President and Representative Director: Mitsuhiro Komura; hereinafter "The Japan Net Bank") and that the Company entered into a modified agreement with Sumitomo Mitsui Banking Corporation. The Company also announces that, along with such modification, it plans to consolidate The Japan Net Bank by sending the majority of The Japan Net Bank's directors in the months ahead subject to the approval by the authorities concerned. Details are as follows:

1. Reasons of consolidation

The Company has rapidly increased transaction value since its commencement of new strategies in the Commerce Business in October 2013, by means of various measures such as waiving store tenant fees, etc., point reward measures and start of the Credit Card business. The Company believes that it needs to strengthen its Financial and Payment business further in order to revitalize the Commerce Business from here on. The Company will reinforce the ecosystem in its services through the consolidation of The Japan Net Bank.

In addition, the Company will lead the management of The Japan Net Bank through the consolidation and utilize the customer base and multi big data that the Company has fostered thus far to provide high value-added financial services for The Japan Net Bank customers.

The voting rights ratio in The Japan Net Bank held by the Company remains the same as before at 41.16% and the Company does not hold a majority. However, the Company will make The Japan Net Bank its consolidated subsidiary by sending the majority of The Japan Net Bank's directors through the resolution in the Extraordinary Meeting of the Shareholders' of The Japan Net Bank planned to be held in October

2017.

2. Outline of Company to be Transferred to Subsidiary (The Japan Net Bank)

(i)	Name	The Japan Net Bank, Limited	
(ii)	Head Office	2-1-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	
(iii)	Name and Title of Representative	President and Representative Director Mitsuhiro Komura	
(iv)	Description of Business	Banking business	
(v)	Paid-in Capital	JPY 37,250 million (as of March 31, 2017)	
(vi)	Date Established	September 19, 2000	
(vii)	Major Shareholders and Shareholding Ratio (as of March 31, 2017)	Yahoo Japan Corporation 41.16% Sumitomo Mitsui Banking Corporation 41.16%	
(viii)	Relationships between the Company and The Japan Net Bank	Capital relationship	As of March 31, 2017, the Company holds 41.16% of voting rights of The Japan Net Bank and accounts The Japan Net Bank as an affiliate under the equity-method.
		Personnel relationship	As of March 31, 2017, three of the Company's employees concurrently serve as The Japan Net Bank's directors, and one of the Company's directors serving on the Audit and Supervisory Committee and one of the Company's employees concurrently serve as The Japan Net Bank's auditors. Also, some of the Company's employees are on temporary assignments to The Japan Net Bank.
		Transaction relationship	The Company receives advertising placements from The Japan Net Bank, while the Company serves as an intermediary for the opening of accounts in The Japan Net Bank.

(ix) The Japan Net Bank's Performance and Financial Position in the Past Three Years

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2015
Net Assets	59,600	59,970	58,236
Total Assets	761,886	689,968	646,493

Net Assets per Share (yen)	69,302.80	69,733.39	67,716.63
Ordinary Income	26,359	25,870	23,327
Net Business Income	3,020	2,068	1,132
Ordinary Profit	2,934	3,442	3,239
Net Income	2,069	2,312	2,081
Net Income per Share (yen)	2,406.52	2,689.46	2,420.19

3. Ownership Status (as of March 31, 2017)

Number of shares held: 354,000 shares (number of voting rights: 354,000; percentage of voting rights: 41.16%)

Note: There will be no change in the number of shares held and percentage of voting rights.

4. Future Schedule (planned)

Early October 2017: Extraordinary Meeting of the Shareholders of The Japan Net Bank

Early October 2017: Conversion to a consolidated subsidiary

5. Future Prospects

The consolidation of The Japan Net Bank is not expected to have a material impact on the consolidated and non-consolidated performance of the Company.

Reference: The Company's Actual Consolidated Performance for the Full Year in FY2016

(Millions of yen)

	Revenue	Operating income	Income before income taxes	Net income attributable to owners of the parent
Actual performance (Year ended March 31, 2017)	853,730	192,049	193,475	132,634

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