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Corporate Governance Report

Last Update: October 2, 2017

SoftBank Group Corp.

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I. Basic views on corporate governance, capital structure, corporate profile and other basic information

1. Basic views

SoftBank Group Corp. ("SBG") and its subsidiaries (collectively, the "Company") is guided by a fundamental concept of "free, fair, innovative," and a corporate philosophy of "Information Revolution – Happiness for everyone." The Company aims to be a provider of essential technologies and services to people around the world through its endeavors in various businesses in the information and technology industries.

SBG, the SoftBank Group (the "Group")'s holding company, recognizes that it is vital to maintain effective corporate governance in order to realize this vision. SBG continues to strengthen governance within the Group by taking measures such as formulating the SoftBank Group Charter to share the Group's fundamental concept and philosophy, and Group Company Management Regulations of the SoftBank Group to set out the management policy and management framework for group companies, among other matters. SBG also sets out various rules which group companies and their officers and employees are to comply with.

SBG's corporate governance system centers on the Board of Directors, Audit & Supervisory Board members, and the Audit & Supervisory Board. Three of the 10 directors are external directors to ensure robust mutual monitoring between the directors. Likewise, three of the four Audit & Supervisory Board members are external members to ensure independent auditing functions, thereby strengthening the monitoring of management.

Basic guidelines

SBG stipulates the following basic guidelines for corporate governance based on the principles of Japan's Corporate Governance Code.

Securing the rights and equal treatment of shareholders (General principle 1)

SBG strives to fully secure shareholder rights by developing an environment in which all shareholders, including minority and foreign shareholders, can effectively exercise their rights. SBG also treats all shareholders equally in accordance with their shareholdings, in compliance with laws and regulations.

Appropriate cooperation with stakeholders other than shareholders (General principle 2)

SBG endeavors to build good relationships with all stakeholders, including shareholders as well as customers, employees, and business partners and to cooperate appropriately with them in order to contribute to maximizing enterprise value. To this end, the Board of Directors and management team seek to establish a corporate culture where the opinions and positions of stakeholders are respected by formulating and disclosing the SoftBank Group's CSR Principles and the SoftBank Group's Officer and Employee Code of Conduct, and complying with these standards.

Ensuring appropriate information disclosure and transparency (General principle 3)

SBG appropriately discloses both financial and non-financial information in compliance with relevant laws and regulations and the rules of the Tokyo Stock Exchange. Furthermore, SBG also strives to actively provide information beyond that required by laws and regulations and the Tokyo Stock Exchange when necessary by carefully considering the impact on investors and other stakeholders. In either case, the Board of Directors strives to ensure that SBG's disclosure is always fair, clear, and useful.

Responsibilities of the Board (General principle 4)

Given its fiduciary responsibility and accountability to shareholders, SBG's Board of Directors strives to maximize enterprise value by thoroughly engaging all directors, including independent external directors, in timely and appropriate discussions of the Board meeting agenda to decide the entire group's management strategy over the medium to long term. The Board also strives to achieve proactive and bold management strategies while controlling risks. The Board of Directors, Audit & Supervisory Board members, and Audit & Supervisory Board strive to ensure their transparency by carrying out highly effective oversight of management.

Dialogue with shareholders (General principle 5)

SBG proactively engages in constructive dialogue with shareholders and investors in order to contribute to maximizing enterprise value. Through these dialogues, SBG strives to further develop mutual understanding and foster relationships of trust, and to carry out management giving due consideration to their opinions.

Reasons for non-compliance with certain principles of Japan's Corporate Governance Code

Supplementary principle 4.1.2. Commitment of the Board of Directors to achieving the medium term business plan

SBG constantly reviews the entire group's medium-term business plans based on their progress and market trends and discussions are also made in the Board of Directors. However, SBG withholds its medium-term business plans from public disclosure.

With regard to its long-term management vision, SBG announced "SoftBank's Next 30-Year Vision" at its Annual General Meeting of Shareholders in 2010, its 30th anniversary year. Reaffirming its corporate philosophy, "Information Revolution – Happiness for everyone," and clarifying its vision and strategy for the next 30 years, SBG has made a commitment to its shareholders to become "the corporate group needed most by people around the world," as its vision through to 2040.

Website

VOD of "SoftBank's Next 30-Year Vision"

webcast.softbank.jp/en/press/20100625

Presentation material of "SoftBank's Next 30-Year Vision"

webcast.softbank.jp/en/press/20100625/pdf/next_30-year_vision.pdf

Principle 5.2 Establishing and disclosing business strategy and business plan

SBG's basic policy is to maintain a sound financial status while both investing aggressively to ensure sustained growth and returning profits to shareholders. However, SBG withholds specific targets from public disclosure with regard to indexes such as profitability and capital efficiency.

SBG's Chairman and CEO clearly explains the Company's business strategy for achieving medium- to long-term growth at the Annual General Meetings of Shareholders and at the quarterly earnings results briefings.

Disclosure based on the principles of Japan's corporate governance code

Principle 1.4 Cross-shareholdings

SBG may hold shares under a so-called "cross-shareholdings" structure when it has an important purpose in terms of management strategy other than pure investment purposes, such as anticipating a business alliance or business synergies to sustainably increase enterprise value. SBG appropriately exercises its voting rights related to the shares in these cross-shareholdings after considering whether the proposal will contribute to the sustainable increase of enterprise value.

As of March 31, 2017, SBG held six stocks as "investment shares held for reasons other than pure investment purposes," with a total value on the balance sheet of ¥63,132 million.

Principle 1.7 Related party transactions

Prior to their approval, all transactions at SBG are deliberated by specialist divisions such as the Accounting, Finance, and Legal divisions, based on internal regulations and according to the scale and materiality of the transaction. The process for approval is structured to enable Audit & Supervisory Board members and the Internal Audit Department to check on the details at all times.

The Board of Directors Regulations stipulates that the Board must approve transactions conducted by directors if these may compete or cause conflicts with the Company's interests. Each transaction is subject to approval by the Board of Directors and the transaction results are reported to the Board. SBG discloses related party transactions in its Annual Securities Report and non-consolidated financial statements attached to the Notice of the Annual General Meeting of Shareholders.

Principle 3.1 Full disclosure

(i) Guided by a corporate philosophy of "Information Revolution – Happiness for everyone," SBG aims to be a provider of essential technologies and services to people around the world through its endeavors in various businesses in the information and technology industries. SBG discloses this corporate philosophy and vision on its website.

SBG announced "SoftBank's Next 30-Year Vision" at its Annual General Meeting of Shareholders in 2010, its 30th anniversary year. It reaffirmed its corporate philosophy, "Information Revolution – Happiness for everyone," and clarified its vision and strategy for the next 30 years. SBG discloses a summary of the announcement on its website.

Website

Corporate Philosophy and Vision
www.softbank.jp/en/corp/about/philosophy/

Management Policy (Medium- to long-term strategies, important management issues, etc.)
www.softbank.jp/en/corp/irinfo/about/policy/

VOD of "SoftBank's Next 30-Year Vision"
webcast.softbank.jp/en/press/20100625

Presentation material of "SoftBank's Next 30-Year Vision"
webcast.softbank.jp/en/press/20100625/pdf/next_30-year_vision.pdf

(ii) SBG discloses its basic views of corporate governance and basic guidelines for corporate governance

based on the principles of Japan's Corporate Governance Code, both on its website and in the Corporate Governance Report.

Website
Basic Approach to Corporate Governance
www.softbank.jp/en/corp/irinfo/governance/framework/

Corporate Governance Report
"1. Basic views" under "I. Basic views on corporate governance, capital structure, corporate profile and other basic information."

(iii) At SBG, directors' remuneration is intended to motivate directors to increase enterprise value and grow profits, and to function as consideration for their performances. This remuneration comprises basic remuneration, bonuses, and share-based payment, and is determined by a resolution of the Board of Directors within the aggregate amount approved by the General Meeting of Shareholders. Individual remuneration is determined based on individual roles, responsibilities, performances, and other factors, taking the results of operations and management environment into account. SBG discloses this information on its website.

Website
Corporate Management
www.softbank.jp/en/corp/irinfo/governance/officer/

(iv) SBG's Board of Directors elects director candidates in accordance with the Articles of Incorporation and the Board of Directors Regulations, while receiving advice from the independent external directors, and these candidates are proposed at the General Meeting of Shareholders. Criteria for electing director candidates include qualities and abilities that will contribute to increasing enterprise value and a deep knowledge of the candidate's respective field of specialization.

In electing Audit & Supervisory Board member candidates, the Board of Directors elects candidates in accordance with the Audit & Supervisory Board Regulations and the Audit & Supervisory Board Members Audit Regulations with the approval of the Audit & Supervisory Board, and these candidates are proposed at the General Meeting of Shareholders. Criteria for election of Audit & Supervisory Board member candidates include independence and a fair, unbiased attitude. The Audit & Supervisory Board Members Audit Regulations stipulate that at least one of the Audit & Supervisory Board member candidates must have considerable knowledge of finance and accounting.

The criteria for corporate officer elections include outstanding capabilities for executing their duties.

(v) SBG discloses the reasons for the appointment of each of candidates for the Board of Directors and Audit & Supervisory Board in the Notice of the General Meeting of Shareholders in which the election of

these candidates is proposed.

Notice of the General Meeting of Shareholders
"Notice of the General Meeting of Shareholders　Reference Materials for the Annual General Meeting of Shareholders"
www.softbank.jp/en/corp/irinfo/investor/shareholders/

Supplementary principle 4.1.1 Matters for resolution by the Board of Directors and scope of delegations to the management

SBG stipulates the agenda matters for discussion in the Board of Directors for resolution in the Board of Directors Regulations, and discloses a summary of these in the Annual Securities Report and the Corporate Governance Report. The scope of matters to be delegated to the management is stipulated in the Regulations on Segregation and Authority of Duties and other internal regulations.

The Investment Committee is a decision-making body that has been delegated decision-making authority by the Board of Directors. The Committee has been delegated with authority on investments, financing, and related matters and is comprised of directors elected by the Board. The agenda matters for discussion in the Investment Committee are set forth in the Regulations of the Investment Committee. SBG discloses a summary of these in the Annual Securities Report and Corporate Governance Report.

Annual Securities Report (Japanese version only)
"6 Status of Corporate Governance"
www.softbank.jp/corp/irinfo/financials/security_reports/

Corporate Governance Report
"2. Matters on functions of business execution, auditing, oversight, nomination and remuneration decisions: overview of current corporate governance system" under "Ⅱ. Business management organization and other corporate governance systems regarding decision-making, execution of business, and oversight in management."

Principle 4.8 Effective use of independent directors

SBG does not have a standard regarding the number of independent external directors to be provided among the directors. Currently, however, its Board of Directors comprises 10 directors including 3 independent external directors.

Principle 4.9 Independence standards and qualification for independent directors

SBG elects independent external directors in accordance with the independence criteria set by the Tokyo Stock Exchange. The Board of Directors elects external director candidates who can contribute to increasing

enterprise value through their qualifications, ability, and deep knowledge in their field of expertise. SBG also elects candidates for their ability to participate actively in constructive discussion and express their opinions frankly.

Supplementary principle 4.11.1 Views on overall balance, diversity and size of the Board of Directors

SBG stipulates the maximum number of directors at 15 in the Articles of Incorporation. The Board of Directors elects director candidates who are considered most suitable for the position, regardless of aspects such as nationality, ethnicity, gender, or age. Currently, there are 10 directors serving, all of whom have a wealth of knowledge and experience regarding business management and a global perspective. Three of the 10 directors are independent external directors, and seven are non-Japanese, thereby ensuring constructive and lively discussion in the Board of Directors meetings from diverse perspectives.

Website
Corporate Governance System
www.softbank.jp/en/corp/irinfo/governance/structure/

Supplementary principle 4.11.2 Status of concurrent positions of Directors and Audit & Supervisory Board members as officers at other listed companies

SBG's directors and Audit & Supervisory Board members ensure that their concurrent positions at other companies are limited to a small number and take care to see that these positions do not interfere with the performance of their duties. SBG discloses the main concurrent positions held by each director and Audit & Supervisory Board member in the Notice of the General Meeting of Shareholders.

Notice of the General Meeting of Shareholders
"Status of Corporate Officers" under "Notice of the General Meeting of Shareholders – Business Report"
www.softbank.jp/en/corp/irinfo/investor/shareholders/

Supplementary principle 4.11.3 Summary of results of the Board of Directors evaluation

From September to October, 2016, SBG had an independent organization conduct interviews of all its external directors and Audit & Supervisory Board members from the perspective of the composition, operation, and supporting systems of the Board of Directors, and conducted an evaluation of the effectiveness of the Board based on the results of the interviews.

The result of the evaluation confirmed the overall efficacy of the Board of Directors, while also recognizing issues to be addressed going forward, such as the need to review the status of explanations at the Board of Directors meetings and the content and volume of Board of Directors meeting materials.

The results of the evaluation were reported at the Board of Directors meetings held in October 2016 and January 2017, and the Board has confirmed that it will make improvements with regard to the indicated issues.

SBG will continue to conduct evaluations of the effectiveness of the Board of Directors going forward in an effort to make the Board of Directors even more effective.

Supplementary principle 4.14.2 Training policy for Directors and Audit & Supervisory Board members

SBG provides the following training for directors and Audit & Supervisory Board members to enable them to acquire important skills and knowledge needed to stay abreast of current developments.

- SBG distributes the Directors' Handbook covering the responsibilities and obligations of directors to its directors; and
- SBG provides regular training on important compliance themes to directors of main domestic subsidiaries. Audit & Supervisory Board members of SBG and its main domestic subsidiaries also participate in this training as observers.

SBG's full-time Audit & Supervisory Board members also actively participate in national conferences of Audit & Supervisory Board members held by the Japan Audit & Supervisory Board Members Association and other types of training.

Principle 5.1 Policy for constructive dialogue with shareholders

SBG works to promote constructive dialogue with shareholders and investors by assigning IR duties to the Executive Corporate Officer and establishing the Investor Relations Department as the responsible department. The department conducts IR activities in close coordination with related departments such as Accounting, Finance, Legal, and General Administration. SBG discloses this structure on its website and in its Corporate Governance Report.

The management and the Investor Relations Department respond to requests for dialogue from shareholders and investors within reason, paying careful attention to handling of material facts subject to insider trading regulations. In addition to individual discussions, SBG also holds earnings results briefings and briefings for retail investors to explain the status of its businesses to shareholders and investors.

The Investor Relations Department compiles the opinions received from shareholders and investors through dialogue and periodically reports them to management.

Website

Disclosure system

https://www.softbank.jp/en/corp/irinfo/governance/ir_activities/

Corporate Governance Report

"(2) Information disclosure system" under "V. Other 2. Other matters concerning the corporate governance system."

2. Capital structure

Foreign shareholding ratio	More than 30%

Major shareholders

Name / Company name	Number of shares owned	Percentage (%)
Masayoshi Son	231,204,632	21.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	84,509,300	7.68
Japan Trustee Services Bank, Ltd. (Trust Account)	64,040,900	5.82
JP Morgan Chase Bank 380055	42,070,556	3.82
Japan Trustee Services Bank, Ltd. (Trust Account 5)	16,322,500	1.48
CBNY-GOVERNMENT OF NORWAY	13,864,966	1.26
The Bank of New York Mellon SA/NV 10	12,352,403	1.12
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	12,102,000	1.10
Japan Trustee Services Bank, Ltd. (Trust Account 1)	12,087,800	1.10
Japan Trustee Services Bank, Ltd. (Trust Account 2)	11,967,300	1.09

Controlling shareholder (except for parent company)	None
Parent company	None

3. Corporate profile

Listed stock market and market section	Tokyo Stock Exchange First Section
Fiscal year-end	March
Type of business	Information & communication
Number of employees (consolidated) as of the previous fiscal year-end	More than 1,000
Net sales (consolidated) in the previous fiscal year	More than ¥1 trillion
Number of consolidated subsidiaries as of the previous fiscal year-end	More than 300

4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder

None

5. Other special circumstances that may have material impact on corporate governance

SBG respects the independence of management of the listed subsidiaries, which conduct their operations based on independent decision-making and management judgments while adhering to the aforementioned SoftBank Group's Charter and Group Company Management Regulations of the SoftBank Group.

II. Business management organization and other corporate governance systems regarding decision-making, execution of business, and oversight in management

1. Organizational composition and operation

Organization form	Company with Audit & Supervisory Board

Directors

Maximum number of directors stipulated in the articles of incorporation	15
Term of office of directors stipulated in the articles of incorporation	1 year
Chairperson of the board	CEO
Number of directors	10
Appointment of external directors	Appointed
Number of external directors	3
Number of independent directors	3

External directors' relationship with SBG (1)

Name	Attribute	Relationship with SBG*										
		a	b	c	d	e	f	g	h	i	j	K
Tadashi Yanai	From another company											
Mark Schwartz	From another company											
Yasir O. Al-Rumayyan	From another company								○			

* Categories for "Relationship with SBG"

"○" when the director presently falls or has recently fallen under the category

"△" when the director fell under the category in the past

"●" when a close relative of the director presently falls or has recently fallen under the category

"▲"when a close relative of the director fell under the category in the past

a. Executive of SBG or its subsidiaries

b. Non-executive director or executive of a parent company of SBG

c. Executive of a fellow subsidiary company of SBG

d. Party whose major client or supplier is SBG or an executive thereof

e. Major client or supplier of SBG or an executive thereof
f. Consultant, accounting or legal professional who receives a large amount of monetary consideration or other property from SBG besides compensation as a director/ Audit & Supervisory Board member
g. Major shareholder of SBG (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of SBG (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between SBG and which external directors/Audit & Supervisory Board members are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from SBG (the director himself/herself only)
k. Others

External directors' relationship with SBG: 2

Tadashi Yanai

Designation as independent director: Applicable

Supplementary information of the relationship with SBG: Mr. Yanai serves as Chairman, President & CEO of FAST RETAILING CO., LTD.

Reason for appointment:

Reason for appointment as external director

Mr. Yanai has extensive knowledge and broad experience over the past 33 years ranging from company management to business strategy. This is illustrated by his leadership in building Ogori Shoji Co., Ltd. (currently FAST RETAILING CO., LTD) into one of the world's leading specialty retailers of private label apparel (SPA) since assuming the position of CEO of the company in September 1984.

Mr. Yanai plays a vital role in business judgments and decision-making processes at the Board. His contribution includes giving his advice on SBG's long-term group strategies drawing on his years of experience and knowledge as a company manager and also as external director of SBG.

He also makes a significant contribution to improvement of SBG's enterprise value by actively engaging in the Board of Directors meetings. He actively contributes questions and comments about the Group's business from multiple angles and expresses his views taking SBG's minority shareholders' standpoint into account. In addition, at occasions outside the Board of Directors meetings, he offers recommendations and admonitions to SBG's management team. SBG recognizes that he thus fully performs his management oversight duties as an external director.

SBG concludes that, given his significant contribution to the Board, Mr. Yanai is an indispensable person for resolving SBG's important management issues and enabling the increase of its long-term enterprise value, and has therefore reappointed him as an external director.

Mr. Yanai attended 15 out of 15 Board of Directors meetings held in fiscal 2016, amounting to an attendance rate of 100%.

Reason for designation as an independent director

Mr. Yanai is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the

Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him. SBG judged that there is no potential conflict of interest between Mr. Yanai and ordinary shareholders, and designated him as an independent director in March 2010.

Mark Schwartz

Designation as independent director: Applicable

Supplementary information of the relationship with SBG: Not applicable

Reason for appointment:

Reason for appointment as external director

Mr. Mark Schwartz has extensive knowledge and experience in the financial sector and investment sector acquired from having served in key positions at Goldman, Sachs & Co., a global investment bank, and its affiliates. He assumed the position of external director of SoftBank Corp. (currently SBG) for 3 years from June 2001 and of SBG for 10 years from June 2006, and played a vital role in business judgment and decision-making processes at the Board.

SBG concludes that, given his significant contribution to the Board, Mr. Schwartz is an indispensable person for resolving SBG's important management issues and enabling the increase of its long-term enterprise value, and has therefore appointed him as an external director.

Reason for designation as an independent director

Mr. Schwartz is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him. SBG judged that there is no potential conflict of interest between Mr. Schwartz and ordinary shareholders, and designated him as an independent director in June 2017.

Yasir O. Al-Rumayyan

Designation as independent director: Applicable

Supplementary information of the relationship with SBG: Not applicable

Reason for appointment:

Reason for appointment as external director

Mr. Yasir O. Al-Rumayyan has extensive knowledge and broad experience in the finance and investment sectors. He currently holds the positions of Managing Director and Board Member of the Public Investment Fund (PIF) of the Kingdom of Saudi Arabia. He also holds board memberships at Uber Technologies Inc. and Saudi Aramco. He formerly held several senior executive positions at the Capital Market Authority and Saudi Fransi Capital and was a Board member of the Saudi Stock Exchange (Tadawul). He also conducted a pivotal role in the formation of the SoftBank Vision Fund.

SBG concludes that Mr. Al-Rumayyan is an indispensable person for resolving SBG's important management issues and enabling the increase of its long-term enterprise value, and has therefore

appointed him as an external director.

Reason for designation as an independent director

Mr. Al-Rumayyan is general manager of Vision Technology Investment Company, with which SBG has concluded an agreement regarding the formation of the SoftBank Vision Fund. Making reference to the nature of this agreement, SBG judged that there is no potential conflict of interest between Mr. Al-Rumayyan and ordinary shareholders. In addition, none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him. SBG therefore designated him as an independent director in June 2017.

Voluntary establishment of committee(s) corresponding to a nominating committee or remuneration committee	Not established

Audit & Supervisory Board members

Establishment of Audit & Supervisory Board	Established
Maximum number of Audit & Supervisory Board members stipulated in the Articles of Incorporation	5
Number of Audit & Supervisory Board members	4

Cooperation among Audit & Supervisory Board members, independent auditor and internal audit function

Cooperation between Audit & Supervisory Board members and Independent Auditor

The Audit & Supervisory Board members receive regular briefings from the independent auditor (Deloitte Touche Tohmatsu LLC) on the audit plan, main items to be audited, the audit results and other matters. The Audit & Supervisory Board members and the independent auditor also cooperate as necessary by exchanging information and opinions, among other measures.

Cooperation between the Audit & Supervisory Board members and the Internal Audit Department

The Audit & Supervisory Board members receive briefings from the Internal Audit Department, which is responsible for SBG's internal audits. The briefings include the audit plan and the results of internal audits performed on each department of SBG and its major subsidiaries. The Audit & Supervisory Board members and the Internal Audit Department also cooperate as necessary by exchanging information and opinions, among other measures.

Cooperation between the Independent Auditor and the Internal Audit Department

The independent auditor receives briefings from the Internal Audit Department on the audit plan, and, when necessary, on the results of internal audits and other matters. The Internal Audit Department receives

regular briefings from the independent auditor regarding audit results and other matters. Moreover, both parties cooperate with each other as necessary by exchanging information and opinions, among other measures.

Appointment of external Audit & Supervisory Board members	Appointed
Number of external Audit & Supervisory Board members	3
Number of independent Audit & Supervisory Board members	2

External Audit & Supervisory Board member's relationship with SBG: 1

Name	Attribute	Relationship with SBG*												
		a	b	c	d	E	f	g	h	i	j	k	l	m
Maurice Atsushi Toyama	CPA										△			
Soichiro Uno	Lawyer													
Hidekazu Kubokawa	CPA													

* Categories for "Relationship with SBG"
"○" when the Audit & Supervisory Board member presently falls or has recently fallen under the category
"△" when the Audit & Supervisory Board member fell under the category in the past
"●" when a close relative of the Audit & Supervisory Board member presently falls or has recently fallen under the category
"▲" when a close relative of the Audit & Supervisory Board member fell under the category in the past

a. Executive of SBG or its subsidiary
b. Non-executive director or accounting advisor of SBG or its subsidiaries
c. Non-executive director or executive of a parent company of SBG
d. Audit & supervisory board member of a parent company of SBG
e. Executive of a fellow subsidiary company of SBG
f. Party whose major client or supplier is SBG or an executive thereof
g. Major client or supplier of SBG or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member
i. Major shareholder of SBG (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of SBG (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)
k. Executive of a company, between SBG and which external directors/ Audit & Supervisory Board members are mutually appointed (the Audit & Supervisory Board member himself/herself only)
l. Executive of a company or organization that receives a donation from SBG (the Audit & Supervisory Board member himself/herself only)
m. Others

External Audit & Supervisory Board member's relationship with SBG: 2

Maurice Atsushi Toyama

Designation as independent Audit & Supervisory Board member: Applicable

Supplementary information of the relationship with SBG:

He served as former Partner of PricewaterhouseCoopers Aarata

Reasons for appointment:

Reason for appointment as external Audit & Supervisory Board member

Mr. Toyama has extensive knowledge and experience as a certified public accountant, State of California, U.S. SBG designated him as an external Audit & Supervisory Board member in June 2015 to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits.

Reason for designation as an independent Audit & Supervisory Board member

SBG has transactions related to consulting and other such matters with Aarata Kansa Hojin (currently PricewaterhouseCoopers Aarata), where Mr. Toyama was a partner until June 2015. However, since the transaction amount is extremely insignificant (less than 0.1% of SBG's selling, general and administrative expenses), SBG judged that there is no potential conflict of interest between Mr. Toyama and ordinary shareholders, and designated him as an independent Audit & Supervisory Board member in June 2015.

Soichiro Uno

Designation as independent Audit & Supervisory Board member: Not applicable

Supplementary information of the relationship with SBG: He serves as Partner of Nagashima Ohno & Tsunematsu

Reasons for appointment:

Reason for appointment as external Audit & Supervisory Board member

Mr. Uno has extensive knowledge and experience as a lawyer. SBG designated him as an external Audit & Supervisory Board member in June 2004 to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits.

Reason for non-designation as an independent Audit & Supervisory Board member

Although SBG and Nagashima Ohno & Tsunematsu have transactions relating to legal advice and other matters, the transaction amount is extremely insignificant (less than 0.1% of SBG's selling, general and administrative expenses). However, SBG did not designate him as an independent Audit & Supervisory Board member because the amounts of remuneration for the services to be paid in the future are not yet decided.

Hidekazu Kubokawa

Designation as independent Audit & Supervisory Board member: Applicable

Supplementary information of the relationship with SBG:

He serves as Representative Partner, Yotsuya Partners Accounting Firm

Reasons for appointment:

Reason for appointment as an external Audit & Supervisory Board member

Mr. Kubokawa has extensive knowledge and experience as a certified public accountant and certified tax

accountant. SBG designated him as an external Audit & Supervisory Board member in February 1989 to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits.

Reason for designation as an independent Audit & Supervisory Board member

Mr. Kubokawa is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him. SBG judged that there is no potential conflict of interest between Mr. Kubokawa and ordinary shareholders, and designated him as an independent Audit & Supervisory Board member in March 2010.

Independent directors/Audit & Supervisory Board members

Number of independent directors/Audit & Supervisory Board	5

Other matters relating to independent directors/Audit & Supervisory Board members

None

Incentives

Incentive policies for directors	Stock options

Supplementary information

SBG has allotted stock acquisition rights as remuneration up to an amount not exceeding ¥1 billion annually, to be used as stock options for directors of SBG. The intention is to give them incentives to improve business results and increase enterprise value.

Recipients of stock options	Internal directors / Employees / Subsidiaries' directors / Subsidiaries' employees

Supplementary information

SBG has allotted stock acquisition rights as stock options without compensation to directors, corporate officers, and other management-class employees of SBG; directors, corporate officers, and other management-class employees of major subsidiaries of SBG. The reasons for allotting such rights are, by linking the Company's business results and the benefits received by directors and so forth, to give incentives to the recipients of the rights and thereby improve results of the Company and to align the interests of those persons with the interests of SBG's shareholders to the extent possible.

Director remuneration

Supplementary information

Remuneration for Directors and Audit & Supervisory Board members with subtotals for each type of remuneration and numbers of recipients for fiscal 2016

	Number of recipients	Total remuneration (¥ millions)	Basic remuneration (¥ millions)	Share-based payment (¥ millions)	Bonus (¥ millions)	Retirement package (¥ millions)
Directors (exc. external directors)	4	344	205	117	22	-
Audit & Supervisory Board members (excl. external Audit & Supervisory Board members)	1	12	12	-	-	-
External officers	7	69	69	-	-	-

Remuneration and other compensation paid to respective directors for fiscal 2016

	Total (¥ millions)	Company name	Basic remuneration (¥ millions)	Share-based payment (¥ millions)	Bonus (¥ millions)	Retirement package (¥ millions)	Other (¥ millions)
Masayoshi Son (Director)	**139**	SoftBank Group Corp.	117	-	22	-	-
Nikesh Arora (Director)		SoftBank Group Corp.	33	-	-	-	-
		SB Group US, Inc.	245	1,196	-	-	8,847
	10,346	Sprint Corporation	25	-	-	-	-
Ken Miyauchi (Director)		SoftBank Group Corp.	45	117	-	-	-
	617	SoftBank Corp.	75	-	380	-	-
Ronald D. Fisher (Director)		SOFTBANK Inc.	249	1,564	11	-	9
		Galaxy Investment Holdings, Inc.	-	486	-	-	-
	2,427	Sprint Corporation	54	54	-	-	-
Manabu Miyasaka (Director)	**105**	Yahoo Japan Corporation	55	-	50	-	-

Notes:

1. Only directors whose total consolidated remuneration and other compensation is ¥100 million or more are listed.
2. Mr. Nikesh Arora retired from the position of director at the closing of the Annual General Meeting of Shareholders held on June 22, 2016. The above figure is the consolidated remuneration corresponding to his service period. The amount of ¥8,847 million recorded for him under "Other" is his resignation expenses. Resignation expenses consist of expenses in which payment amounts are defined and expenses in which payment amounts are to be defined depending on the future price of SBG's shares. Expenses based on the share price will be settled in two installments, scheduled on June 2017 and March 2018. Payment amount will be determined based on the share price of June 2017 and March 2018, respectively. The Company measured the expenses based on the share price of SBG as of June 30, 2016, and recorded the entire expense for the three month period ended June 30, 2016. The expenses afterwards are remeasured every quarter end based on the share price of SBG until the determination of payment amount, and the changes are recognized through profit or loss. The

expenses were ¥3,830 million for fiscal 2016.
In addition to the above resignation expense, the Company purchased the shares of SBG's associate companies from Mr. Nikesh Arora for ¥10,744 million, which the Company previously granted to him in December 2014. The purchase price by the Company was determined based on negotiation with reference to the recent transaction price.

Policy on determining remuneration amounts and calculation methods	Established

Disclosure of policy on determining remuneration amounts and calculation methods

The total amount of remuneration for directors and Audit & Supervisory Board members at SBG is determined within the aggregate amount determined by a resolution of the General Meeting of Shareholders. The total amount of remuneration for directors is determined by a resolution of the Board of Directors and that for Audit & Supervisory Board members is determined by deliberation of the Audit & Supervisory Board members. The annual aggregate remuneration paid to directors shall not exceed a total of ¥800 million and the total amount paid to Audit & Supervisory Board members shall not exceed ¥80 million, respectively pursuant to the resolution of the General Meeting of Shareholders on June 28, 1990. Separately from the above remuneration for directors, stock acquisition rights shall be granted for the directors of SBG to be used as stock options as remuneration up to an amount not exceeding ¥1 billion annually, pursuant to the resolution of the General Meeting of Shareholders on June 22, 2016,.

Supporting system for external directors and/or external Audit & Supervisory Board members

SBG seeks to ensure that all officers including the external directors and external Audit & Supervisory Board members can participate fully in the Board of Directors meetings having fully grasped the specific details of the agenda for discussion. The secretariat to the Board of Directors therefore provides them with materials for the Board of Directors meeting beforehand, including supplemental briefings and other information as required.

The Audit & Supervisory Board Office has been established to support the duties of all the Audit & Supervisory Board members, including the external members. The office comprises dedicated staff who act under the directions of the Audit & Supervisory Board members to gather information, investigate matters, and give other assistance.

2. Matters on functions of business execution, auditing, oversight, nomination and remuneration decisions: overview of current corporate governance system

1. Governance system

(1) Board of Directors

SBG's Board of Directors consists of 10 directors, including 3 external directors. The chairman and CEO serves as the chairman of the Board. SBG ensures adequate independence of the 3 external directors, who bring a wealth of knowledge and experience to the Board related to business management and other matters. Each of the external directors participates actively in the discussions of the Board meetings and SBG makes management judgments and decisions based on these discussions.

Agenda matters for discussion in the Board of Directors are set forth in the Board of Directors Regulations. The Board discusses the following at regular Board meetings and at extraordinary meetings that are convened when necessary:

i. Statutory matters
ii. Critical matters relating to business management, such as (a) fundamental management policy, business plans, and (b) matters such as investments and loans and borrowings, etc. exceeding a certain amount
iii. Certain matters relating to subsidiaries (excluding listed subsidiaries and their subsidiaries), such as investments and loans and borrowings, etc. exceeding a certain amount
iv. Other matters

The Board of Directors also supervises the execution of duties by directors. Authority to decide matters other than these agenda matters discussed by the Board of Directors is delegated to committees, directors, and department managers to enable speed and flexibility in corporate activities.

To elect directors, the Board of Directors selects candidates in accordance with SBG's Articles of Incorporation and the Board of Directors Regulations, and these candidates are proposed at the General Meeting of Shareholders.

Meeting attendance of external directors

Attendance at the Board of Directors meetings during fiscal 2016 was as follows. Mr. Shigenobu Nagamori resigned from the position of External Director on September 30, 2017.

Attendance at the Board of Directors meetings for fiscal 2016

	Meetings attended/meetings held (attendance rate %)
Tadashi Yanai	15/15 (100%)
Shigenobu Nagamori	15/15 (100%)
Mark Schwartz	6/6 (100%)

Note:

1. Excludes the number of the meetings held in writing without meeting
2. The attendance data for Mr. Mark Schwartz is for the period up to his retirement at the closing of the Annual General Meeting of Shareholders held on June 22, 2016.

(2) Investment Committee

The Investment Committee is a decision-making body that has been delegated decision-making authority by the Board of Directors. The Committee has been delegated authority on investments, financing, and related matters and is comprised of directors elected by the Board.

The agenda matters for discussion in the Investment Committee are set forth in the Regulations of the Investment Committee. The Committee makes decisions on the following matters:

i. Matters such as investments and loans and borrowings under a certain amount
ii. Certain matters relating to subsidiaries (excluding listed subsidiaries and their subsidiaries), such as (a) investments and loans and borrowings etc. under a certain amount, (b) issue and gratis issue of new stock or stock acquisition rights etc. (except matters such as the issue of new stocks that will not alter the shareholding ratio), (c) issue of corporate bonds, (d) overseas business expansion, and (e) entry into new business fields
iii. Other matters

The Committee requires unanimous agreement from all members to make a decision. If one or more members is against a proposal, it is brought to the Board of Directors. All decision results of the Committee are reported to the Board of Directors.

(3) Audit & Supervisory Board members and Audit & Supervisory Board

The Audit & Supervisory Board consists of four members including three external members. Two of the members are full-time members and two are part-time members. Among the four Audit & Supervisory Board members, one member has extensive experience working as the manager of SBG's Legal Department and as its Chief Compliance Officer, and therefore has a deep understanding of the Company's management and operations. SBG ensures adequate independence of the three external Audit & Supervisory Board members, who possess a wealth of knowledge and experience in their professional roles as a lawyer, certified public accountants, or certified tax accountants.

The Audit & Supervisory Board members, including the external members, attend the Board of Directors meetings, allowing them to monitor and verify the decision-making of the Board and fulfillment of the Board's obligation to supervise the execution of duties by each director. Moreover, the Audit & Supervisory Board members conduct regular hearings with directors, employees, Audit & Supervisory Board members, and other personnel of major subsidiaries to audit the execution of duties by the directors of SBG.

The Audit & Supervisory Board meeting is held once a month in principle. At the meeting, the Audit & Supervisory Board members decide on the audit policy, plan, and other matters, receive quarterly briefings and reports relating to the earnings results from the independent auditor, and exchange information and opinions with the independent auditor as necessary. The Audit & Supervisory Board members also receive briefings on individual matters from the directors as necessary.

The Audit & Supervisory Board Office is established to support the duties of all the Audit & Supervisory Board members and the office comprises dedicated staff who act under the directions of the Audit & Supervisory Board members to gather information, investigate matters, and give other assistance.

Meeting attendance of the external Audit & Supervisory Board members

Attendance at the Audit & Supervisory Board meetings during fiscal 2016 was as follows. Mr. Koichi Shibayama retired from the position of Audit & Supervisory Board member at the closing of the Annual General Meeting of Shareholders held on June 21, 2017.

	Board of Directors Meetings attended/meetings held (attendance rate %)	**Audit & Supervisory Board** Meetings attended/meetings held (attendance rate %)
Maurice Atsushi Toyama	15/15 (100%)	11/11 (100%)
Soichiro Uno	14/15 (93.3%)	11/11 (100%)
Koichi Shibayama	15/15 (100%)	11/11 (100%)
Hidekazu Kubokawa	14/15 (93.3%)	10/11 (90.9%)

Note: Excludes the number of the meetings held in writing without meeting

(4) Internal audits

The Internal Audit Department operates as a single organization together with the Internal Audit Office of the subsidiary SoftBank Corp. All 33 staff including the department head (as of June 1, 2017) are assigned concurrently to both companies to carry out internal audits. The department conducts internal audits of the Company's internal departments and subsidiaries to check that duties are carried out legally and correctly based on laws and regulations, the Articles of Incorporation, and internal regulations. The results of these internal audits are reported to the CEO, and briefings are also given to the Audit & Supervisory Board members.

2. Audit by independent auditor

(1) Status of audit by independent auditor

SBG concludes an independent audit agreement with Deloitte Touche Tohmatsu LLC based on the Financial Instruments and Exchange Act. The names of the certified public accountants who executed the audit duties in fiscal 2016 and the number of assistants for the audit duties for the fiscal year are as follows:

i. Names of certified public accountants who executed the audit duties

Designated Limited Liability Partner and Engagement Partners:

Masayuki Nakagawa, Masayuki Yamada, Ryo Sakai

ii. Structure of assistants who supported the audit duties
Certified Public Accountants: 26, Others: 41

(2) Remuneration for audits and other duties

i. Remuneration to auditing certified public accountants and other assistants

- Remuneration for audit certification duties
  SBG: ¥441 million
  Consolidated subsidiaries: ¥1,005 million
- Remuneration for non-audit duties
  SBG: ¥82 million
  Consolidated subsidiaries: ¥32 million

ii. Other material remuneration
Certain of SBG's subsidiaries pay remuneration for audit certification duties and non-audit duties to members of Deloitte Touche Tohmatsu Limited, which belongs to the same network as SBG's auditing certified public accountants and assistants. Sprint Corporation, Brightstar Corp. and other subsidiaries paid ¥2,694 million as remuneration for audit certification duties. ARM Holdings plc, Sprint Corporation, and other subsidiaries paid ¥179 million as remuneration for non-audit duties.

iii. Non-audit duties provided for SBG by the auditing certified public accountants and assistants
The non-audit duties for which SBG pays remuneration to the auditing certified public accountants and assistants mainly consist of financial investigation services related to M&As.

3. Reason for adoption of current corporate governance system

SBG adopts the company with Audit & Supervisory Board system. As explained in "2. Overview of the current corporate governance system," its corporate governance system is built around the Board of Directors, the Audit & Supervisory Board members, and the Audit & Supervisory Board.

The directors carry out lively discussions each time at the Board of Directors meetings. Moreover, since 3 of the 10 directors are external directors, management benefits from diverse perspectives, and the function for mutual monitoring between directors is enhanced.

The Audit & Supervisory Board members conduct strict audits of the Directors' execution of duties from their specialist perspectives as a certified public accountant, a lawyer, or other professional. Moreover, since three of the four Audit & Supervisory Board members, a majority, are external members, SBG's audit function is enhanced by ensuring more independent perspectives.

The current system is thus selected because SBG judges that it can ensure effective corporate governance.

III. Implementation of measures for shareholders and other stakeholders

1. Measures to vitalize the general meeting of shareholders and enable smooth exercise of voting rights

	Supplementary information
Early notification of General Meeting of Shareholders	SBG dispatched the Notice for the 37th Annual General Meeting of Shareholders held on June 21, 2017 on the statutory dispatch date, and posted it on its website five days before being dispatched.
Scheduling AGMs avoiding the peak day	To allow a greater number of the shareholders to attend, SBG schedules the Annual General Meeting of Shareholders on off-peak days when meetings of many other companies are not concentrated.
Allowing electronic exercise of voting rights	A system for executing voting rights through the Internet has been in place since 2002, the 22nd Annual General Meeting of Shareholders.
Participation in electronic voting platform	SBG has participated in the Electronic Voting Platform for institutional and other investors since the start of the service in 2006, the 26th Annual General Meeting of Shareholders.
Providing convocation notice in English	SBG prepares an English translation of the full text of its Notice of Annual General Meeting of Shareholders.
Other	Initiatives to promote understanding: At the Annual General Meeting of Shareholders, SBG uses video footage to report on its operations to help shareholders to better understand the results of operations and the status of its businesses. The chairman and CEO, who chairs the meeting, explains the Company's corporate philosophy and vision, as well as its medium- to long-term business strategy in addition to reporting on legally mandated items. Moreover, the Notice of the General Meeting of Shareholders provides shareholders with a greater volume of information to use in exercising their voting rights. To facilitate easy reading, the information in the Notice is illustrated with charts and color photographs. Disclosure of voting results: The voting results for proposals at the General Meeting of Shareholders are posted in an Extraordinary Report on EDINET, as well as being posted in both Japanese and English on SBG's website. Dissemination via the Internet: SBG provides live webcasts of the Annual General Meetings of Shareholders on its website. VOD is also available on the website after completion of the meeting.

2. IR activities

	Supplementary information	Explanation by representa-tive
Preparation and publication of disclosure policy	SBG publishes its policy for IR activities on its website. The webpage titled "IR Activities" shows matters related to information disclosure, including the basic policy, disclosure standards and methods. The page also lists measures to improve communications and the quiet periods for IR activities. For details please refer to the website: www.softbank.jp/en/corp/irinfo/governance/ir_activities/	
Regular briefings for retail investors	SBG is vigorously working on IR activities targeting retail investors. Investor Relations Department staff hold briefing sessions at branches of securities companies and other venues in Japan. In fiscal 2016, 19 sessions were held in total.	None
Regular briefings for analysts and institutional investors	Earnings results briefings: On the days when quarterly earnings results are announced, SBG holds earnings results briefings for analysts, institutional investors, and the media. The chairman and CEO delivers an overview of the earnings results and explains the Company's business strategy. Business briefings: To help investors to better understand the Company's businesses, business briefings are held as necessary.	Yes
Regular briefings for overseas investors	Overseas IR activities: SBG's delegates visit institutional investors in Europe, the U.S., and Asia to explain its business and financial strategies. They also participate in conferences held by securities companies overseas to give presentations about the business strategies. Earnings results conference calls: On the days when quarterly earnings results are announced, SBG conducts a conference call for institutional investors overseas. The chairman and CEO delivers an overview of the earnings results and explains the Company's business strategy. Others: SBG provides live webcasts of earnings results briefings and the Annual General Meetings of Shareholders in English on its website. VOD of the briefings are also available on the website after completion of the	Yes

	briefings.	

Posting of IR materials on website	The following IR materials are posted on SBG's website. Items (a) through (h) are available in both Japanese and English. (a) Consolidated financial reports (b) Earnings results briefing presentation materials (c) Data sheets (d) Investors briefing presentation materials (e) Important news releases including timely disclosures (f) Corporate governance reports (g) Annual reports (h) Notices of the Annual General Meeting of Shareholders (i) Annual securities reports and quarterly reports (j) Reports to shareholders Please see the website for these materials: www.softbank.jp/en/corp/irinfo/
Establishment of department and/or manager in charge of IR	The Investor Relations Department is established to handle IR and the general manager of the department is appointed as a person in charge of the handling of information. As of June 1, 2017, 14 people in the department were engaged in IR activities.
Other	SBG provides live webcasts of earnings results briefings on its IR website, as well as on Facebook and Twitter. After the earnings presentation is concluded, the replay is promptly made available on SBG's IR website.

3. Measures to ensure due respect for stakeholders

	Supplementary information
Stipulation of internal rules for respecting the position of stakeholders	SBG aims to grow together with customers, shareholders, employees, business partners, society and all other stakeholders by actively contributing to society through its businesses. This is stipulated in the SoftBank Group's CSR Principles. The principles can be viewed in detail on SBG's website: www.softbank.jp/en/corp/csr/
Implementation of environmental activities, CSR activities etc.	Under the SoftBank Group's CSR Principles, each group company is engaged in CSR activities that leverage the nature and scope of their respective businesses. Details of specific CSR activities can be viewed on SBG's website: www.softbank.jp/en/corp/csr/

Development of policies on information provision to stakeholders	SBG strives to ensure timely and appropriate disclosure of information according to the statutory disclosure requirements based on the Financial Instruments and Exchange Act and other relevant acts and ordinances, and as required by the Rules on Timely Disclosure set by the Tokyo Stock Exchange. SBG also discloses critical information that is not subject to either statutory disclosure or timely disclosure requirements but could potentially affect investment decisions. This information is disclosed in a fair and prompt manner so as to give all the stakeholders equal access to it. SBG also works to enhance information disclosure to stakeholders through its annual reports, website, reports to shareholders and other means. Most of these materials, with a few exceptions, are made available both in Japanese and English to narrow the information gap between disclosure in Japanese and English.

IV. Matters related to the internal control system

1. Basic views on the internal control system and the progress of system development

The information below explains SBG's system to ensure the appropriateness of its operations and its implementation status.

(1) System to ensure the appropriateness of operations

System to ensure that the execution of the duties of directors and employees is in compliance with laws, regulations, and the Articles of Incorporation of SBG

SBG has established the SoftBank Group's Officer and Employee Code of Conduct to prescribe the code of conduct to be followed by all directors and employees to ensure that corporate activities are appropriate based not only on regulatory compliance, but also on high ethical standards, and has established the following structure to continuously reinforce the compliance system:

1. A chief compliance officer (CCO) is appointed. In addition to proposing and carrying out measures required to establish and enhance SBG's compliance system, the CCO periodically reports to the Board of Directors on compliance-related issues and the status of addressing those issues.
2. Internal and external hotlines (whistle-blowing system) are established for direct reporting and consultations by directors and employees, to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. SBG ensures that persons who have reported or consulted using the hotlines will not be treated disadvantageously for having done so by prohibiting such treatment of persons on such grounds in the SoftBank Group's Compliance Rules.
3. The Internal Audit Department carries out audits on the effectiveness of the systems for compliance with laws, regulations, and the Articles of Incorporation, and the results of those audits are reported to the CEO and director in charge. The Internal Audit Department also works in cooperation with the Audit & Supervisory Board members by providing them with the results of those audits.

System for the storage and management of information regarding the execution of duties by directors

SBG has established the following system to appropriately store and maintain documents and other important information related to the execution of duties by directors, including minutes and proposals of the Board of Directors meetings and requests for approval:

1. SBG determines retention periods and methods and measures to prevent accidents based on the Information Management Regulations and classifies and appropriately stores these documents according to their degree of confidentiality.
2. SBG appoints a chief information security officer (CISO) as the person responsible for information security, and the CISO promotes the establishment and reinforcement of information security systems.

Regulations and systems relating to managing the risk of loss

SBG has established the following system to avoid or minimize risk and to implement necessary measures related to the variety of risks in its business operations:

1. Responsible departments are designated to address various risks, manage risks in each responsible department, and work to reduce risks and prevent the occurrence of risk events based on the SoftBank Group's Risk Management Rules. In addition, when an emergency situation arises, an Emergency Response Department will be established according to the designated escalation flow, and efforts will be made to minimize the damage (loss) based on the instructions of the Emergency Response Department.
2. The General Administration Department summarizes the status of risk evaluation, analysis and response at each responsible department, and periodically reports its findings to the Board of Directors.
3. The Internal Audit Department carries out audits on the effectiveness of the risk management processes.

System to ensure the efficiency of directors in the execution of their duties

SBG has established the following structure to maintain an efficient management system:

1. SBG sets out the Board of Directors Regulations to clarify matters to be resolved by and reported to the Board of Directors and the Internal Approval Regulations and other regulations relating to institutional decision-making to clarify decision-making authority.
2. To strengthen functions for overseeing the execution of duties and enhance objectivity in management, the Board of Directors shall include external directors who are independent of the Company.
3. To ensure that the directors, including external directors, can discuss matters fully at the Board of Directors meetings, SBG shall provide them with materials for the meeting in advance, and with additional or supplementary materials upon their request.
4. The scope of operations, authority, and responsibilities necessary for operations are clearly defined in the Regulations on Segregation and Authority of Duties.

System to ensure appropriateness of the Company's operations

SBG has formulated the SoftBank Group's Charter to promote fundamental concepts and policies shared throughout the Company and the SoftBank Group's Company Management Rules, which spell out the policy and system of management of group companies. In addition, various regulations are set out to be complied with by group companies, as well as their directors and employees. Based on the regulations, the following systems have been established, giving consideration to the scale and materiality of group companies:

1. A group compliance officer (GCO) is appointed to promote the establishment and reinforcement of group-wide compliance systems, as the person ultimately responsible for compliance throughout the Company. A Group Hotline has also been established to receive reports and provide consultation to directors and employees of group companies to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. SBG ensures that persons who have reported or

consulted on the Group Hotline will not be treated disadvantageously for having done so by prohibiting such treatment of persons on such grounds in the SoftBank Group's Compliance Rules.

2. The group chief information security officer (GCISO) is appointed to promote the establishment and reinforcement of group-wide information security systems as the person ultimately responsible for information security throughout the Group.
3. The representative of each group company must submit a Representative Oath pertaining to the financial reports submitted to SBG, thereby ensuring the accuracy of the annual securities report and other documents submitted by the Group.
4. The Internal Audit Department comprehensively judges the results of past internal audits and the financial position of each group company, and carries out internal audits of group companies deemed as having a high risk.
5. While each group company addresses risks in an effort to reduce and prevent any possible risks, in the event of emergency, each group company follows the escalation flow of SBG to minimize damage (loss) in accordance with SBG's instruction.

System for excluding organized crime and other criminal elements

SBG clearly states in the SoftBank Group's Officer and Employee Code of Conduct its policy of having absolutely no association with organized crime and other criminal elements that pose a threat to public order and safety. The General Administration Department is responsible for dealing with inappropriate requests from organized crime and other criminal elements and will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

System relating to support staff that assist the Audit & Supervisory Board members, matters relating to the independence of the relevant employees from the directors, and matters related to ensuring the effectiveness of instructions given to the relevant employees

SBG has established the Assistant to Audit Department as an organization to support the work of the Audit & Supervisory Board members, and assigns dedicated staff to this department. Directions and instructions to the support staff are issued by the Audit & Supervisory Board members to ensure the effectiveness of the instructions, and any personnel changes, evaluations, or other such actions, require the agreement of the Audit & Supervisory Board members.

System for reporting to the Audit & Supervisory Board members

Directors and employees of SBG shall report the following matters to the Audit & Supervisory Board members:

1. Important matters related to the management, finances, or business execution of the Company
2. Matters related to the compliance system or use of the hotlines
3. The development status of internal control systems
4. Matters which could cause significant damage to SBG

5. Matters relating to violations of laws, regulations, or the Articles of Incorporation
6. Results of audits conducted by the Internal Audit Department
7. Other matters that the Audit & Supervisory Board members deems necessary to be reported in order for them to execute their duties

Other systems to ensure that the audits by the Audit & Supervisory Board members are conducted effectively

1. When the Audit & Supervisory Board members deem it necessary, opportunities shall be provided for them to interview directors or employees of group companies. In addition, the Audit & Supervisory Board members periodically meet with the independent auditor and the Audit & Supervisory Board members of major subsidiaries and other entities to exchange information and ensure cooperation.
2. SBG ensures that persons who have reported or consulted with the Audit & Supervisory Board members will not be treated disadvantageously for having done so by prohibiting such treatment of persons on such grounds in the SoftBank Group's Compliance Rules.
3. SBG shall pay expenses relating to the independent auditor, attorneys, and other professionals, and other expenses associated with the execution of duties by the Audit & Supervisory Board members.

(2) Overview of the implementation status of the system to ensure the appropriateness of the operations

Matters concerning compliance

SBG continues to conduct compliance training for directors and employees of the Company, as well as having the GCO offer information and give advice, and so forth, as necessary to the CCO for enhancing the compliance system. In addition, SBG works to ensure the effectiveness of compliance of the entire group by establishing and operating hotlines so that directors and employees of the Company can report and consult directly. The effects of these measures are reviewed to make improvements as necessary.

Matters concerning risk management

Based on the SoftBank Group's Risk Management Rules, departments responsible for each risk at SBG manage risks and continuously work on reducing them and preventing their materialization. In addition, the General Administration Department summarizes the status of risk evaluation and analysis, as well as countermeasures and responses to risks implemented in each responsible department and periodically reports its findings to the Board of Directors. Group companies also manage risks individually and continuously work on reducing risks and preventing their materialization.

Matters concerning internal audits

The Internal Audit Department carries out audits on the effectiveness of the system for compliance with laws, regulations, and the Articles of Incorporation as well as the risk management process at SBG. In

addition, the department continuously carries out audits of group companies deemed as having a high risk and reports the results of the audits to the CEO each time.

Matters concerning the execution of duties by directors and employees

SBG ensures efficiency in the execution of duties by its directors and employees based on internal regulations such as the Board of Directors Regulations, Internal Approval Regulations, and Regulations on Segregation and Authority of Duties. SBG also ensures an environment where matters can be fully discussed at the Board of Directors meetings by directors, including independent external directors.

Matters concerning the execution of duties by Audit & Supervisory Board members

The Audit & Supervisory Board members attend SBG's important meetings and arrange opportunities to interview directors and employees of the Company as necessary. In addition, they continue to enhance cooperation by holding regular meetings with the independent auditor and the Audit & Supervisory Board members and other personnel of major subsidiaries. Through these efforts, the Audit & Supervisory Board members ensure the effectiveness of audits.

2. Basic views on excluding organized crime and the progress of system development

SBG's approach to excluding organized crime and other criminal elements, and its structures for doing so are as described in "1. Basic views on the internal control system and the progress of system development."

SBG clearly states in the SoftBank Group's Officer and Employee Code of Conduct its policy of having absolutely no association with organized crime and other criminal elements that pose a threat to public order and safety. The General Administration Department is responsible for dealing with inappropriate requests from organized crime and other criminal elements and will firmly refuse such requests in a resolute manner in cooperation with the police and other external specialist institutions.

V. Other

1. Adoption of anti-takeover measures

Adoption of anti-takeover measures	Not adopted

Supplementary information

SBG has not adopted any anti-takeover measures.

2. Other matters concerning the corporate governance systems

(1) Group company management and oversight system

In its management and oversight of group companies as a holding company, SBG has formulated the SoftBank Group's Charter, to share the Group's fundamental concept and corporate philosophy, and Group Company Management Regulations of the SoftBank Group to set out the management policy and management framework for group companies. In addition, the following rules have been set out to be complied with by group companies, as well as their officers and employees.

Group companies that SBG considers to have sufficient internal structures already in place, such as listed companies, are deemed to be observing these rules and regulations. Certain group companies, such as special purpose companies, have not adopted or applied these rules and regulations.

Group Company Information Rules of the SoftBank Group
The SoftBank Group's PR Rules
The SoftBank Group's IR Rules
The SoftBank Group's IT Governance Rules
The SoftBank Group's Risk Management Rules
The SoftBank Group's Brand Management Rules
The SoftBank Group's CSR Principles
The SoftBank Group's Compliance Rules
The SoftBank Group's Officer and Employee Code of Conduct
The SoftBank Group's Rules on Prevention of Bribery in Foreign Countries
The SoftBank Group's Rules on Prevention of Insider Trading
The SoftBank Group's Internal Audit Rules
Audit and Supervisory Board Rules of the SoftBank Group Companies

(2) Information disclosure system

SBG's basic approach to timely disclosure:

SBG strives to ensure fair and timely information disclosure as set forth in the basic guidelines for corporate governance.

SBG's internal system for timely disclosure:

SBG conducts timely disclosure with the Investor Relations Department as the responsible department. The SoftBank Group's IR Rules set out matters to be reported to the Investor Relations Department relating to

timely disclosure, including required reporting times and procedures. When timely disclosure is necessary, the Investor Relations Department prepares timely disclosure materials in close coordination with related departments such as Accounting, Finance, Legal, and General Administration and swiftly conducts timely disclosure under the approval of the Executive Corporate Officer in charge.

Matters subject to timely disclosure requirements relating to earnings results are compiled into a disclosure document by the Accounting Department and relevant departments based on information collected from group companies. The general manager of the Accounting Department is responsible for preparation of the disclosure document related to earnings results. The document is swiftly disclosed under approval of the Corporate Officer in charge.

Reference: Chart of corporate governance system

