

# = SECTION 3

## The Foundation Supporting Value Creation

58

Corporate Governance

72

Risk Management

74

Human Resource Strategy

81

Environmental Initiatives

# Corporate Governance

## Interview with external directors 1

### Atsushi Horiba

External Director  
Chair of Nominating Committee  
Chair of Remuneration Committee



### Kazuaki Oki

External Director



### Q. What is the atmosphere of the Board of Directors meeting like?

**Horiba** SoftBank's atmosphere is nothing like that of a large corporation, which was different from what I imagined. Everyone openly and frankly expresses their honest opinions. At the same time, I feel that the discussions that take place during the Board of Directors meetings are well-focused on reaching a conclusion in a direct fashion. At HORIBA, Ltd. where I currently serve as CEO, we also have a frank and open corporate culture based on our corporate motto of "Joy and Fun," which reflects our desire to have all employees enjoy their day-to-day work as if it were their hobby in order to further enrich their lives. That said, HORIBA, Ltd.'s board meeting discussions proceed in a more congenial atmosphere with a bit more chit chat thrown in, so I guess I'm still learning about the differences in corporate culture.

**Oki** SoftBank's Board of Directors meetings do not adhere to any fixed format and opinions are exchanged candidly. Given the many agenda items that need discussing and the fact that they are all matters of importance, reaching a conclusion on all of them in the limited time available is certainly a challenge, but all directors are well-accustomed to explaining all of the details and it's really wonderful how the Board gets through all of the agenda items so smoothly. And for us outsiders, we are grateful for the opportunity to be briefed on the agenda items beforehand so we can resolve any questions we might have.

### Q. What are your thoughts on the fact that both the Company and its parent, SoftBank Group Corp., are publicly listed?

**Oki** I am skeptical that the listing of both the parent and its subsidiary would always be viewed as problematic. As SoftBank is a company tasked with supplying telecommunications infrastructure throughout Japan, its listing means it now has more shareholders outside of the parent company and a more diverse breadth of stakeholders. In turn, the Company is assessed more rigorously by society, which in my opinion, is a really good thing.

**Horiba** We can't say for certain that the Company would be in better shape if it was not listed. In SoftBank's case, being listed on the stock exchange means it is in a better position to raise capital on its own and grow its business operations rather than simply being a wholly-owned subsidiary of SoftBank Group Corp., the investing company. Being publicly listed also enhances transparency. Problems often seen in the listing of a parent company and its subsidiary include conflicts of interest with minority shareholders because the interests of the parent company are prioritized, or the lack of guaranteed independence for the subsidiary even after listing. As external directors, it is our job to stop that from happening, but I have yet to feel that such an unsound relationship exists at SoftBank.

I too had been grilled by my father and founder of HORIBA, Ltd., which overlaps somewhat with the fact that SoftBank's founder and current chairman and CEO of the parent company, Masayoshi Son, constantly asks a lot of questions to Board directors, with passion. However, the executives of the business maintain a sound approach and will always respond to Chairman Son in a well-reasoned and logical manner, so there is no chance of any dispute arising that might put minority shareholders at a disadvantage. On the contrary, I get the feeling that as the Company executes the *Beyond Carrier* strategy, questions and comments from Chairman Son are galvanizing the organization in a major way. Rather than Chairman Son being the voice of authority to decide on matters himself, every agenda item is discussed by all Board directors, so in this sense, the Company's independence is guaranteed.

**Oki** Chairman Son is ultimately raising the question of how to go about maximizing profits whilst taking the interests of stakeholders into account. Here, he's not talking about what best suits the parent company, but how minority shareholders can equally benefit from growth in profits. The objective here is to increase profitability in a sound fashion. As everyone is on a level playing field, I see no issues at all with the Company's relationship with its parent.

However, the relationship the Company has with its subsidiary Z Holdings differs somewhat to the relationship it has with SoftBank Group Corp., the investing company. More often than not, both SoftBank and Z Holdings are approaching the same customers, so I think they need to cooperate on maintaining a win-win relationship and take extra care to ensure management independence and avoid conflicts of interest. In fact, the synergies between their businesses are very strong and actually helped bolster returns for minority shareholders of both companies in the fiscal year ended March 31, 2020. Therefore, I think making Z Holdings a subsidiary and engaging in closer collaboration was certainly the right approach to take.

### Q. What is your opinion of the style of management that is always mindful of the SDGs?

**Oki** While SoftBank recently identified items of materiality in areas in which it can contribute to achieving the SDGs, the Company has long undertaken various initiatives with similar objectives. For example, concerning core telecommunications infrastructure, the Company considers it a priority to ensure that its mobile network never goes down during any kind of disaster. This is something the Company has long endeavored to uphold as a matter of course rather than for the purpose of achieving the SDGs. In fact, being

able to contribute to the SDGs without making a conscious effort to do so is something to be extremely proud of.

**Horiba** To be honest, the tendency to suddenly place a special emphasis on the SDGs doesn't feel quite right. If a company stays in touch with society and practices good management, its contributions should naturally align with the objectives of the SDGs. Many Japanese companies have long advocated this in their management philosophies and continue to set their sights on such goals. Accordingly, I think the SDGs should not be seen as a new way of thinking, but instead be used to check whether or not the business activities of one's own company are heading in the right direction. I believe the SDGs should be the spirit that serves as the foundation of management. Another point I'd like to make is that because the SDGs call on corporations to take action, instead of aiming to undertake social contribution initiatives outside of the scope of normal business, it is important that we deliver value to society in various ways by doing as much work as possible ourselves in the form of existential value for the company. On this point, SoftBank currently provides society with indispensable telecommunications infrastructure and is also leveraging digital technology to expand its business with the ultimate goal of finding solutions to social issues. So all up, we can definitely say that the Company's business is positioned right in the middle of what the SDGs aim to achieve.





## Corporate Governance

Interview with  
external directors 2Takehiro Kamigama  
External DirectorKyoko Uemura  
External Director**Q. What is the atmosphere of the Board of Directors meeting like?**

**Kamigama** Actually, there is always an air of excitement surrounding the Board of Directors. The *Beyond Carrier* strategy is enabling the Company to differentiate itself from the competition, so I'm looking forward to seeing what that will entail. Also, various discussions, including those concerning M&As, continue to proceed at a really fast pace, so basically there is no other company quite like this one.

**Uemura** I too really feel that SoftBank has its own unique dynamism. As the agenda items are discussed to some extent in advance, I thought the Board of Directors meetings would simply approve and resolve such matters, but in actuality a clamorous discussion of topics we don't get briefed on usually takes place, which makes the meetings really quite interesting.



Typically there aren't many meetings of the Board of Directors during which opinions are divided between the internal directors, but conversely, hearing such debate firsthand often generates a greater sense of understanding. I sense a feeling that whilst listening to opinions from us outsiders, internal directors are trying to change even more. The lively exchange of opinions is the norm during Board meetings, given that President Miyau-chi possesses strong views as a leader, while the opinions of Chairman Son are always rebuffed directly by the arguments of the Company's executives.

**Kamigama** Also, all of us outsiders raise questions emphatically during the briefings that precede the Board of Directors meetings, but if we are unable to receive an answer to any of those queries there and then, the agenda items will be addressed at another Board of Directors meeting in a modified manner, so this really indicates to us that our opinions are being thoroughly taken on board. On top of this, after the conclusion of Board of Directors meetings, the directors usually discuss strategies, during which we get officially briefed on potential resolution items. We are really thankful for this because if we didn't understand the background or objectives of a business strategy, we would be unable to pass judgment.

**Uemura** The strategy discussions also include video presentations depicting futuristic, next-generation visions of society that would be fantastic if they actually come to pass. These easy-to-understand discussions create a very positive atmosphere. Furthermore, a culture of always backing up arguments with objective data is well-entrenched in the meetings of the Board of Directors and the strategy discussions. I think it is in these moments that we are required to calmly express our opinions from an external point of view.

**Kamigama** There is no doubt that some aspects of future-oriented growth strategies can be overly optimistic at times. Nonetheless, we can still look forward to synergies with Z Holdings as the e-commerce market expands up ahead, for example. The Company will therefore have my full support if I can naturally take

a good look at the risks and comprehend their strategic approach.

**Q. What do you think are the qualities required of a successor?**

**Kamigama** Considering that both society and business are undergoing significant change as a result of COVID-19, I think the qualities of a leader really come down to being able to creatively anticipate the future and demonstrate to others what needs to be done. Instead of having above-average capabilities, I think a leader must excel in foreseeing what lies ahead and be capable of leading everyone in the right direction. Not too many Japanese people are like this, but in SoftBank's case, anybody who doesn't possess these qualities probably isn't suited to be a leader, in my opinion.

**Uemura** Also, someone who thrives on adversity. Given that SoftBank is a company that readily embraces all sorts of challenges and often faces adversity, it needs somebody who is tough enough to survive hardship. This person must also have the courage to quickly change course and withdraw from a business upon realizing that it wasn't the right option. There will always be people saying that you've put so much effort into it to pull out now, but I think the courage to withdraw is an attribute required of a leader. The decision to pull the pin on something is far more difficult than the decision to start it, but I think this kind of judgment is always required at SoftBank.

**Q. What kind of process is used to determine remuneration for officers?**

**Kamigama** The process for deciding on officer remuneration comprises basic remuneration and performance-based remuneration. The indicators and mathematical formulas used to calculate both of these are openly disclosed so that remuneration is determined fairly with a high level of transparency. We also examine the appropriateness of remuneration amounts by comparing them against other industry peers.

**Uemura** The weighting of the performance-based remuneration component is heavier than the basic remuneration and half of the former is paid in cash, while the other half is paid in shares. This serves as an incentive for officers to work towards raising the Company's share price.

**Q. What is your opinion of the style of management that is always mindful of the SDGs, and the identification of materiality?**

**Kamigama** To be honest, I have been impressed with how



well the Company has incorporated the SDGs into its business in such a short period of time. However, there is no sense in just neatly writing about the SDGs, which is why discussions up ahead about how much the Company can actually contribute to achieving them will be more important than anything else. Without eliminating various possibilities at present, the Company recognizes a broad range of areas in which it identifies items of materiality, but as it continues to undertake numerous businesses, it will likely become clear which areas are most important, so that is when topics can be narrowed down a bit more.

**Uemura** I consider the SDGs to be a growth strategy the whole world can share. The SDGs themselves have very few antitheses, so I think the very act of furthering business operations with the targets of the SDGs in mind will naturally lead to growth. For example, the problem of poverty is linked to information and education disparity, so in this sense, the development of telecommunications infrastructure is crucial. This is the starting point for corporations to make effort to expand areas of coverage and lower costs. I think it is vital that SoftBank makes use of its managerial resources for the benefit of the SDGs and laterally expands its operations in an effort to eliminate all forms of disparity and raise living standards—or in other words, giving everyone in society the chance to shine.

## Corporate Governance

### Characteristics of SoftBank's Corporate Governance



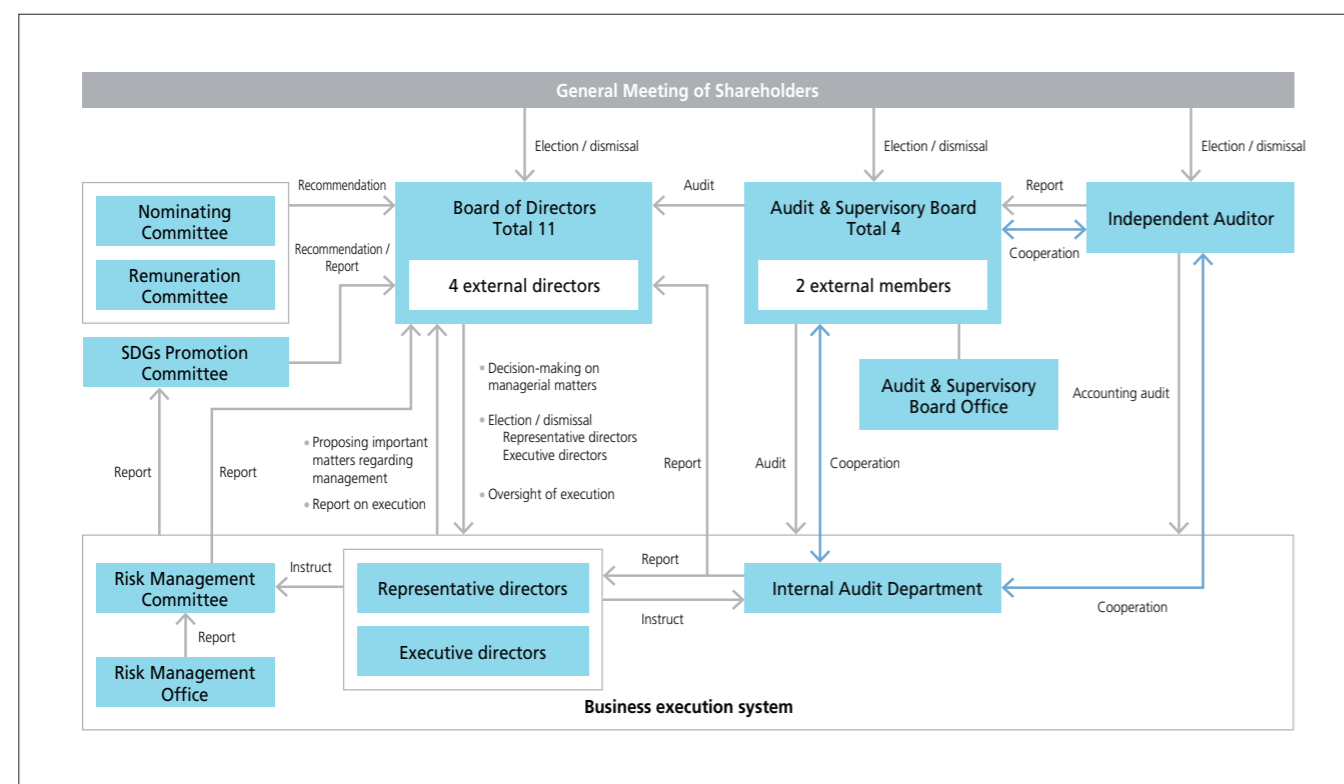
### Corporate Governance Structure

SoftBank Corp.'s Board of Directors is a decision-making body for important matters and an oversight body for the status of business execution. The Board of Directors also plays a role in steering management to improve long-term enterprise value. At present, the Board of Directors consists of 11 directors, including four external directors, and makes management decisions following "appropriate investigation" and "thorough consideration."

In addition, the Company's Audit & Supervisory Board conducts efficient and effective audits regarding the status of execution of duties by directors. The Audit & Supervisory Board consists of four Audit & Supervisory Board Members, including two external Audit & Supervisory Board Members, and formulates the "audit policy" and "audit plan." Audit & Supervisory Board Members carry out audit activities in accordance with this policy and plan.

Moreover, the Company introduced the executive officer system to ensure clarification of the management supervisory function, strengthening the business execution function of the Board of Directors, and expediting management. Thus, the Company judges that its corporate governance is functioning effectively.

#### Corporate governance system



### Board of Directors

The Board of Directors consists of 11 directors, including four external directors, and their terms of office last until the conclusion of the Ordinary General Meeting of Shareholders held with respect to the final fiscal year ending within one year after election.

The Company stipulates the maximum number of directors at 15 in the Articles of Incorporation. The Board of Directors elects director candidates who are considered the most suitable for the position, regardless of their nationality, ethnicity, gender, or age, based on discussions by the Nominating Committee. At present, there are 11 directors serving, all of whom have a wealth of knowledge and experience regarding business management. Four Independent External Directors have been elected, and they hold constructive and lively discussions at the Board of Directors meetings from diverse perspectives, including outside perspectives.

#### Main topics discussed by the Board of Directors in fiscal year ended March, 31 2020

- Corporate management
- Investments and financing
- Shares and corporate bonds
- Matters concerning directors and Audit & Supervisory Board Members
- Human resources and organizational matters

#### Board of Directors

Masayoshi Son	Chairman
Ken Miyauchi	Representative Director
Jun Shimba	Representative Director
Yasuyuki Imai	Representative Director
Junichi Miyakawa	Representative Director
Kazuhiko Fujihara	Board Director
Kentaro Kawabe	Board Director
Atsushi Horiba	External Director
Takehiro Kamigama	External Director
Kazuaki Oki	External Director
Kyoko Uemura	External Director

### Nominating Committee and Remuneration Committee

SoftBank voluntarily established the nominating and remuneration committees as advisory bodies to the Board of Directors. Nominating Committee and Remuneration Committee comprise the CEO and Independent External Directors to ensure independence of the committees, deliberate proposals for the election and dismissal of Board Directors, the nomination of Representative Directors, remuneration for Board Directors and to make recommendations to the Board of Directors. The Board of Directors fully respects recommendations from these committees, using them as material for Board of Directors discussions.

#### Nominating Committee and Remuneration Committee

	Nominating Committee	Remuneration Committee
<b>Purpose</b>	Determine content of proposals upon deliberation on proposals for the election and dismissal of Board Directors and the nomination of Representative Directors at the General Meeting of Shareholders.	Conducts proposals on the remuneration program for Board Directors and Audit & Supervisory Board Members in addition to proposals on the remuneration of individual Board Directors of the Company.
<b>Chair</b>	Atsushi Horiba (External Director)	
<b>Members (including Chair)</b>	Ken Miyauchi (CEO) Atsushi Horiba (External Director) Takehiro Kamigama (External Director) Kazuaki Oki (External Director) Kyoko Uemura (External Director)	

### Audit & Supervisory Board

The Audit & Supervisory Board consists of four members, two of whom are external members (two full-time members and two part-time members). The Internal Audit & Supervisory Board Members consist of one full-time member and one part-time member. The full-time Internal Audit & Supervisory Board Member has extensive knowledge and experience in the fields of corporate governance and compliance accumulated through serving as an executive officer, CCO (Chief Compliance Officer), and head of the General Affairs Division of the Company, as well as in corporate management accumulated through serving as the president of a Group company. The part-time Internal Audit & Supervisory Board Member is a certified public accountant and has extensive knowledge and experience in accounting, including many years in charge of the accounting unit of SoftBank Group Corp. The external Audit & Supervisory Board Members consist of one full-time member and one part-time member, both of which are fully independent. The full-time external Audit & Supervisory Board Member has extensive experience in heading compliance and risk management divisions of a financial institution. The part-time external Audit & Supervisory Board Member has extensive knowledge and experience as a certified public accountant. The Audit & Supervisory



## Corporate Governance

Board Members, including the external Audit & Supervisory Board Members, attend Board of Directors meetings to monitor and verify the status of decision-making by the Board of Directors and the fulfillment of its supervisory duties over each director. They also audit the execution of duties by the directors etc., as well as the directors and the Audit & Supervisory Board Members of major subsidiaries, through regular interviews and other means.

The Audit & Supervisory Board establishes an audit policy, audit plan and priority audit items for each fiscal year. It meets once a month in principle, receives regular reports from each department related to the internal control system to confirm the status of the execution of duties by directors based on the priority audit items, and confirms the appropriateness of business execution. In addition, the Audit & Supervisory Board receives quarterly reports on the progress and results, etc. of audits from the Independent Auditor, and exchanges information and opinions with them. It also receives explanations of individual matters from directors, or others as necessary.

### Basic Audit Policy and Priority Audit Items

The Audit & Supervisory Board establishes the audit policy and priority audit items and engages in monitoring and supervision. During Audit & Supervisory Board meetings, opinions are exchanged in a lively manner regarding the content of reports from relevant departments and the Independent Auditor, as well as the activity reports of each Audit & Supervisory Board Member.

#### 1. Basic Audit Policy

In accordance with laws, regulations, the Articles of Incorporation and the Audit & Supervisory Board Regulations, Audit & Supervisory Board Members ensure the sound and sustainable growth of the Company by conducting audits of business execution by directors and perform duties to establish a high-quality corporate governance system able to earn the trust of society. We also strive to improve the efficiency and quality of audits through close cooperation with the Internal Audit Department, the Internal Control Division and the Independent Auditor. Furthermore, audits by the Audit & Supervisory Board is conducted in accordance with Audit & Supervisory Board Rules and Audit & Supervisory Board Regulations.

#### 2. Priority Audit Items

- (1) Legality audit
- (2) Internal control system audit
- (3) Board of Directors decision-making audit
- (4) Information disclosure audit
- (5) Group management audit
- (6) Accounting auditor evaluation
- (7) IFRS, related accounting efforts confirmation
- (8) BCM, accident response confirmation
- (9) Radio wave governance trend response confirmation

### Audit & Supervisory Board Members

Eiji Shimagami	Full-time Audit & Supervisory Board Member
Yasuharu Yamada	Full-time External Audit & Supervisory Board Member
Kazuko Kimiwada	Audit & Supervisory Board Member
Kenichiro Abe	External Audit & Supervisory Board Member

### Internal Audit Department

The Internal Audit Department (27 members as of June 25, 2020) conducts internal audits of the overall duties of the Company as an organization directly under the CEO. The Internal Audit Department mainly evaluates business compliance with laws and regulations and effectiveness of internal controls, and reports the results of internal audits to the CEO and the Board of Directors of the Company while explaining them to the Audit & Supervisory Board Members. The Internal Audit Department also conducts audits of subsidiaries as a parent company in an effort to strengthen the governance of the entire Group in collaboration with the Audit Departments of Group companies. Furthermore, internal and external quality evaluations are conducted as an initiative aimed at improving audit quality.

### Support System for External Directors and External Audit & Supervisory Board Members

The Company seeks to ensure that all officers, including the 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 meetings beforehand, including supplemental briefings and other information as required. In addition, the Audit & Supervisory Board Office has been established to support the duties of all Audit & Supervisory Board Members, including external members. The office comprises dedicated personnel who act under the direction of the Audit & Supervisory Board Members to gather information, investigate matters, and provide other assistance.

### Reasons for Appointment of Board Directors and Audit & Supervisory Board Members

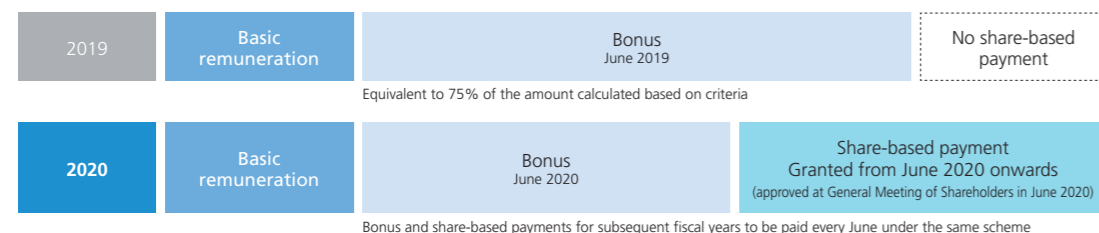
Name	Reasons for Appointment
<b>Masayoshi Son</b> Chairman	Mr. Son has extensive knowledge and experience in corporate management, business strategy, M&A and other matters as the founder of SoftBank Group Corp. The Board would like to reelect Mr. Son as a Board Director to benefit from his guidance in the Company's decision-making process for the further growth of the Group.
<b>Ken Miyauchi</b> President & CEO	Since taking office as Director & Vice President of SOFTBANK BB Corp. (currently the Company) in January 2003, Mr. Miyauchi has contributed to expanding the fixed-line communications business, and since becoming the Company's Board Director in April 2006, he has also contributed to expanding the mobile communications business. Since becoming the Company's President in April 2015, he has not only expanded the telecommunications business in Japan but also aggressively promoted entry into new fields with a focus on the internet based on the <i>Beyond Carrier</i> strategy. The Board would like to reelect Mr. Miyauchi as a Board Director to lead the further growth of the Group.
<b>Jun Shimba</b> Representative Director & COO	Since taking office as the Company's Managing Executive Officer in April 2006, Mr. Shimba has served in prominent positions at the Company, primarily as head of the consumer business unit, and contributed to the Company's growth. In addition, he became the Company's Representative Director & COO in April 2017. The Board would like to reelect Mr. Shimba as a Board Director to lead the further growth of the Group.
<b>Yasuyuki Imai</b> Representative Director & COO	Since taking office as the Company's Corporate Officer in October 2007, Mr. Imai has served in prominent positions at the Company, primarily as head of the enterprise business unit, and contributed to the Company's growth. In addition, he became the Company's Representative Director & COO in April 2017. The Board would like to reelect Mr. Imai as a Board Director to lead the further growth of the Group.
<b>Junichi Miyakawa</b> Representative Director & CTO	After managing an internet company, Mr. Miyakawa took office as the Company's Director & Executive Vice President (CTO) in April 2006. Since then, he has served in prominent positions at the Company, primarily head of the technology unit, and contributed to the Company's growth. In addition, he became the Company's Representative Director & CTO in April 2018. The Board would like to reelect Mr. Miyakawa as a Board Director to lead the further growth of the Group.
<b>Kazuhiko Fujihara</b> Board Director Executive Vice President & CFO	Since taking office as the Company's Managing Executive Officer (CFO) in April 2006, Mr. Fujihara has consistently served in prominent positions at the Company in the area of governance, mainly in corporate planning, finance, accounting, and purchasing, and contributed to the Company's growth. The Board would like to reelect Mr. Fujihara as a Board Director to lead the further growth of the Group.
<b>Kentaro Kawabe</b> Board Director	Since assuming the position of COO of Yahoo Japan Corporation (now Z Holdings Corporation) in April 2012, Mr. Kawabe has aggressively pursued its business development, and has extensive knowledge and experience as a corporate manager. The Board would like to reelect Mr. Kawabe as a Board Director to benefit from his guidance in the Company's decision-making process for the further growth of the Group.
<b>Atsushi Horiba</b> External Director <b>Independent Officer</b>	Having served as Representative Director of HORIBA, Ltd. for approximately 28 years since 1992, Mr. Horiba has been leading the growth of the HORIBA group and therefore has a wealth of management experience. He has been elected as an external director in order to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company in order to contribute to the Group's further growth and strengthening of corporate governance.
<b>Takehiro Kamigama</b> External Director <b>Independent Officer</b>	Having served as Representative Director of TDK Corporation for 12 years from 2006, Mr. Kamigama has a wealth of management experience and has demonstrated leadership in enhancing the profitability of TDK's business and expanding its business fields. He has been elected as an external director in order to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company in order to contribute to the Group's further growth and strengthening of corporate governance.
<b>Kazuaki Oki</b> External Director <b>Independent Officer</b>	Mr. Oki has extensive knowledge and experience as a certified public accountant. He has been elected as an external director in order to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company in order to contribute to the Group's further growth and strengthening of corporate governance.
<b>Kyoko Uemura</b> External Director <b>Independent Officer</b>	Ms. Uemura has extensive knowledge and experience as a lawyer. She has been elected as an external director in order to supervise the Company's management based on her knowledge and experience and give advice on the overall management of the Company in order to contribute to the Group's further growth and strengthening of corporate governance.
<b>Eiji Shimagami</b> Full-time Audit & Supervisory Board Member	Mr. Shimagami served as the Company's Vice President, CCO, & Human Resources & General Affairs Unit, General Affairs Division Head until March 2017, and is well versed in the governance and compliance field. In addition, he served in positions including president of a group company and has extensive knowledge and experience in corporate management. The Board would like to elect Mr. Shimagami as an Audit & Supervisory Board Member to have him conduct audits from a professional and multifaceted standpoint drawing on his knowledge and experience.
<b>Yasuharu Yamada</b> Full-time External Audit & Supervisory Board Member <b>Independent Officer</b>	Mr. Yamada has extensive knowledge and experience relating to risk management and compliance at financial institutions, as well as considerable expertise in finance and accounting. He has been elected as an external Audit & Supervisory Board Member in order to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective on the audits.
<b>Kazuko Kimiwada</b> Audit & Supervisory Board Member	Ms. Kimiwada has extensive knowledge and experience as a certified public accountant, and serves as Executive Corporate Officer, Head of Accounting Unit at SoftBank Group Corp. The Board would like to reelect Ms. Kimiwada as an Audit & Supervisory Board Member so that she can conduct audits from a professional standpoint drawing on her knowledge and experience.
<b>Kenichiro Abe</b> External Audit & Supervisory Board Member <b>Independent Officer</b>	Mr. Abe has extensive knowledge and experience as a certified public accountant. He has been elected as an external Audit & Supervisory Board Member in order to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective on the audits.

## Corporate Governance

### Officer Remuneration

#### Changes to performance-based remuneration

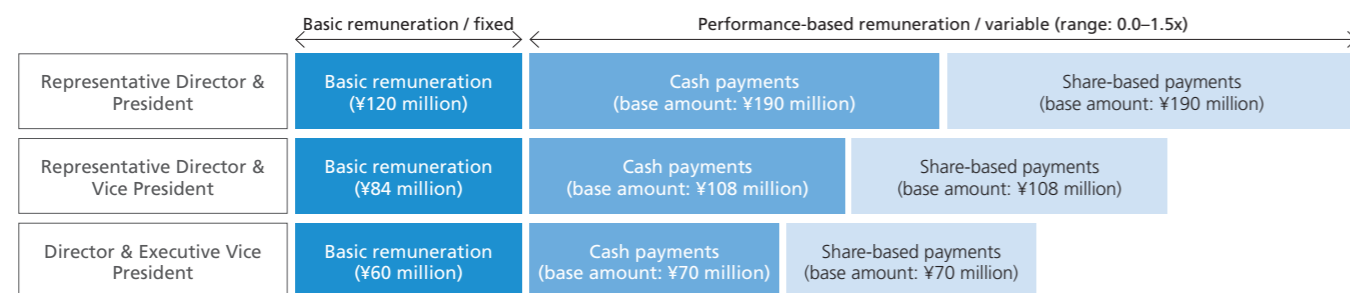
For performance-based remuneration in 2020, the ratio of cash payments to share-based payments is 1:1.



With the goal of further promoting shared value among directors and shareholders, we abolished the granting of stock options in fiscal year ended March 31, 2020 and decided to introduce a new restricted stock-based compensation system in fiscal year ending March 31, 2021.

#### Remuneration system for directors (excluding external directors)

Figure 1: Makeup of basic remuneration and performance-based remuneration by position



#### Structure of remuneration

In addition to fixed compensation, remuneration for directors (excluding external directors) consists of basic remuneration and performance-based remuneration as an incentive for improving the Company's short-term performance and enhancing longer-term corporate value.

The annual amount of basic remuneration is determined according to position; a fixed amount is paid in cash every month. Performance-based remuneration is derived by multiplying a base amount (determined according to position) by a payment rate that corresponds to the level of achievement of performance targets for the current fiscal year (0.0–1.5x; target: 1.0x). Performance-based remuneration comprises a cash payment and a share-based payment; the payment ratio for these two components is 1:1 (Figure 1).

Also, in terms of a Group payment policy, remuneration for directors who concurrently serve as officers of Group companies is to be paid mainly by the Company, while remuneration for Director Masayoshi Son and Director Kentaro Kawabe is to be excluded from payment.

#### Calculation method for performance-based remuneration

Net income attributable to owners of the Company and operating income (consolidated basis) are used as indicators to determine the achievement of performance targets. Each performance-based component varies at a rate of 0.0–1.5x (target 1.0x) according to the level of achievement of mainly the performance targets. A weighting is established in accordance with the level of achievement for each performance target, which is then multiplied by 50% to yield a performance target achievement coefficient\* (Figure 2).

Figure 2: Calculation method for performance-based remuneration



\* Note that under special circumstances, such as serious scandals and accidents, losses and other extraordinary factors, or other management indicators (FCF, etc.), the coefficients for net income attributable to owners of the Net income attributable to owners of the Company and operating income shall be determined based on the advice of the Remuneration Committee.

#### Decision-making Rights on Policy for Determining Amounts of Remuneration and Its Calculation Method

Ownership of rights :Board of Directors  
 Details of rights :Determination of Board Director remuneration based on proposals by the remuneration committee  
 Scope of responsibility :Determination of Board Director remuneration, total amount of funds for performance-based remuneration, and individual distribution.

#### Committee in Charge of Decision-making on Policy for Determining Amounts of Remuneration of Board Directors and Audit & Supervisory Board Members and Its Calculation Method

At the Board of Directors meetings, the remuneration committee conducts proposals on the remuneration program for Board Directors and Audit & Supervisory Board Members in addition to proposals on the remuneration of individual Board Directors of the Company. To ensure objectivity and transparency in remuneration, the committee is chaired by an External Board Director and comprises the President and Representative Director and External Board Directors.

#### Amount of Remuneration for Directors and Audit & Supervisory Board Members

(Millions of yen)

Officer category	Total remuneration	Subtotal for each type of remuneration				Number of eligible officers
		Basic remuneration	Performance-based remuneration		Other	
			Cash payments	Share-based payments		
Directors (excluding external directors)	2,034	432	628	628	345	6
Audit & Supervisory Board Members* (excluding external Audit & Supervisory Board Members)	14	14	–	–	–	2
External directors	48	48	–	–	–	4
External Audit & Supervisory Board Members	16	16	–	–	–	2

\* Including one Audit & Supervisory Board Member resigned during the fiscal year.

#### Amount of Consolidated Remuneration, etc., for Directors of SoftBank Corp.

(Millions of yen)

Name	Total consolidated remuneration	Officer category	Company category	Subtotal for each type of remuneration			
				Basic remuneration	Performance-based remuneration		Other
					Cash payments	Share-based payments	
Ken Miyauchi	608	Director	SoftBank Corp.	120	200	200	89
Jun Shimba	355	Director	SoftBank Corp.	84	113	113	45
Yasuyuki Imai	355	Director	SoftBank Corp.	84	113	113	45
Junichi Miyakawa	355	Director	SoftBank Corp.	84	113	113	45
Kazuhiko Fujihara	270	Director	SoftBank Corp.	60	89	89	33
Kentaro Kawabe	223	Director	Z Holdings Corporation	85	98	40	0

\* Listed only directors whose total consolidated remuneration and other compensation is ¥100 million or more.

#### Remuneration determination process

Meeting body	Remuneration Committee			Board of Directors
Meeting date	December 23, 2019	March 24, 2020	April 27, 2020	May 26, 2020
Participants	Atsushi Horiba (chair) Takehiro Kamigama Kazuaki Oki Kyoko Uemura Ken Miyauchi (all members in attendance)			Directors and Audit & Supervisory Board Members (all members in attendance)
Agenda	Confirmation of performance-based remuneration indicators and examination of share-based payment plan	Confirmation of performance-based remuneration indicators	Approval and determination of remuneration amounts for each officer Confirmation of disclosure documents	Confirmation and decision on recommendations of Remuneration Committee Approval of remuneration amounts for each officer



## Corporate Governance

### Board Directors and Audit & Supervisory Board Members (as of June 25, 2020)



**Masayoshi Son**

Chairman

- 1981 Founded SOFTBANK Corp. (now SoftBank Group Corp.), Chairman & CEO
- 1996 President & CEO, Yahoo Japan Corporation (now Z Holdings Corporation)
- 2006 Chairman of the Board, President & CEO, Vodafone K.K. (now the Company)
- 2007 President & CEO, the Company
- 2015 Chairman, the Company
- 2015 Director, Yahoo Japan Corporation (now Z Holdings Corporation; current position)
- 2016 Manager, SoftBank Group International GK (now SoftBank Group Japan Corporation)
- 2017 Chairman & CEO, SoftBank Group Corp. (current position)
- 2018 Chairman, the Company (current position)
- 2018 Representative Director, SoftBank Group Japan Corporation (current position)



**Ken Miyauchi**

President & CEO



- 1977 Joined Japan Management Association
- 1984 Joined SOFTBANK Corp. (now SoftBank Group Corp.)
- 1988 Director, SOFTBANK Corp.
- 1993 Executive Managing Director, SOFTBANK Corp.
- 1999 Representative Director, SoftBank Commerce Corp. (now the Company)
- 2003 Director & Vice President, SOFTBANK BB Corp. (now the Company)
- 2006 Executive Vice President, Director & COO, Vodafone K.K. (now the Company)
- 2007 Director, Representative Vice President & COO, the Company
- 2007 Representative Director & COO, the Company
- 2012 Director, Yahoo Japan Corporation (now Z Holdings Corporation; current position)
- 2013 Representative Director, Senior Executive Vice President of SOFTBANK Corp. (now SoftBank Group Corp.)
- 2014 Representative Director, Chairman of SoftBank Commerce & Service Corp. (now SB C&S Corp.)
- 2015 President & CEO, the Company
- 2018 Director, SoftBank Group Corp. (current position)
- 2018 Representative Director, President & CEO, the Company
- 2018 President & CEO, the Company (current position)



**Jun Shimba**

Representative Director & COO

- 1985 Joined SOFTBANK Corp. (now SoftBank Group Corp.)
- 2005 Director, SOFTBANK BB Corp. (now the Company)
- 2006 Managing Executive Officer, Vodafone K.K. (now the Company)
- 2007 Director & Managing Executive Officer, SOFTBANK BB Corp. (now the Company)
- 2007 Managing Corporate Officer, the Company
- 2012 Director & Senior Managing Corporate Officer, the Company
- 2015 Senior Managing Director, the Company
- 2017 Representative Director & COO, the Company
- 2017 Representative Director, President & CEO, SoftBank Payment Service Corp. (now SB Payment Service Corp.; current position)
- 2018 Representative Director & COO, the Company (current position)



**Kentaro Kawabe**

Board Director

- 1996 Director, Dennotai Corporation
- 1999 CEO, Dennotai Corporation
- 1999 Director, PIM Corporation
- 2000 Joined Yahoo Japan Corporation (now Z Holdings Corporation), Yahoo! Mobile Producer
- 2007 Yahoo! News Producer, Yahoo Japan Corporation
- 2012 Corporate Officer, Chief Operating Officer (COO), President of Media Business Group, Yahoo Japan Corporation
- 2012 Senior Executive Vice President, COO, Head of Media Service Company, Yahoo Japan Corporation
- 2014 Senior Executive Vice President, Managing Corporate Officer, Director & COO, Yahoo Japan Corporation
- 2015 Senior Executive Vice President Corporate Officer, COO, Yahoo Japan Corporation
- 2018 Chief Executive Officer (CEO), Senior Executive Vice President Corporate Officer, Yahoo Japan Corporation
- 2018 President and Representative Director, President Corporate Officer, CEO, Yahoo Japan Corporation (current position)
- 2018 Board Director, the Company (current position)
- 2019 President and Representative Director, President Corporate Officer, CEO, Yahoo Japan Corporation (current position)
- 2020 Director, ZOZO Inc. (current position)



**Atsushi Horiba**

External Director



- 1972 Joined HORIBA, Ltd.
- 1982 Director, HORIBA, Ltd.
- 1988 Senior Managing Director, HORIBA, Ltd.
- 1992 Representative Director & President, HORIBA, Ltd.
- 1995 Representative Director & President, STEC Co., Ltd. (now HORIBA STEC, Co., Ltd.)
- 2005 Chairman, Representative Director & President, HORIBA, Ltd.
- 2016 Chairman & Representative Director, HORIBA STEC, Co., Ltd. (current position)
- 2018 Chairman, Representative Director & Group CEO, HORIBA, Ltd. (current position)
- 2018 External Director, the Company (current position)



**Takehiro Kamigama**

External Director



- 1981 Joined Tokyo Denki Kagaku Kogyo K.K. (now TDK Corporation)
- 2002 Corporate Officer, TDK Corporation
- 2003 Senior Vice President, TDK Corporation
- 2004 Director, Executive Vice President, TDK Corporation
- 2006 Representative Director & President, TDK Corporation
- 2016 Chairman & Representative Director, TDK Corporation
- 2017 External Director, OMRON Corporation (current position)
- 2018 External Director, Yamaha Motor Co., Ltd. (current position)
- 2018 External Director, the Company (current position)
- 2018 Mission Executive, TDK Corporation (current position)



**Yasuyuki Imai**

Representative Director & COO

- 1982 Joined Kajima Corporation
- 2000 Joined SOFTBANK Corp. (now SoftBank Group Corp.)
- 2007 Corporate Officer, the Company
- 2008 Managing Corporate Officer, the Company
- 2012 Director & Senior Managing Corporate Officer, the Company
- 2015 Senior Managing Director, the Company
- 2017 Representative Director & COO, the Company
- 2018 Representative Director & COO, the Company (current position)



**Junichi Miyakawa**

Representative Director & CTO

- 1991 Representative Director & President, KK Momotaro Internet
- 2000 Representative Director & President, Nagoya Metallic Communications Corp. (now the Company)
- 2002 Representative Director & President, Tokyo Metallic Communications Corp. (now the Company)
- 2002 Representative Director & President, Osaka Metallic Communications Corp. (now the Company)
- 2002 Representative Director & President, DTH Marketing Corp. (now the Company)
- 2003 Director, SOFTBANK BB Corp. (now the Company)
- 2006 Director & Executive Vice President (CTO), Vodafone K.K. (now the Company)
- 2007 Director, Executive Vice President & CTO, the Company
- 2014 Director & Senior Managing Corporate Officer, the Company
- 2014 Technical Chief Operating Officer, Sprint Corporation
- 2015 Senior Managing Director, the Company
- 2015 Senior Technical Advisor, Sprint Corporation
- 2017 Senior Managing Director & CTO, the Company
- 2018 Representative Director & CTO, the Company (current position)



**Kazuhiko Fujihara**

Board Director, Executive Vice President & CFO

- 1982 Joined Toyo Kogyo Co., Ltd. (now Mazda Motor Corporation)
- 2001 Joined SOFTBANK Corp. (now SoftBank Group Corp.)
- 2001 General Manager of Group Management Group, SOFTBANK Corp.
- 2003 Manager, Management Planning Dept., SOFTBANK BB Corp. (now the Company)
- 2004 Director & CFO, SOFTBANK BB Corp.
- 2006 Managing Executive Officer (CFO), Vodafone K.K. (now the Company)
- 2007 Director, Senior Vice President & CFO, the Company
- 2012 Director, Executive Vice President & CFO, the Company
- 2014 Director & Managing Executive Officer, SOFTBANK Corp. (now SoftBank Group Corp.)
- 2015 Director, Executive Vice President & CFO, the Company
- 2015 Director, Yahoo Japan Corporation (now Z Holdings Corporation)
- 2016 Director, Audit and Supervisory Committee Member, Yahoo Japan Corporation
- 2016 Managing Executive Officer, SoftBank Group Corp.
- 2017 Senior Vice President, SoftBank Group Corp.
- 2018 Board Director, Executive Vice President & CFO, the Company (current position)
- 2019 Director, Yahoo Japan Corporation (now Z Holdings Corporation; current position)



**Kazuaki Oki**

External Director



- 1984 Joined Aoyama Audit Corporation
- 2003 Representative Partner, ChuoAoyama Audit Corp.
- 2006 Representative Partner, PricewaterhouseCoopers Aarata (now PricewaterhouseCoopers Aarata LLC)
- 2017 Head of Oki CPA Office (current position)
- 2017 External Director, Shizuoka Bank (Europe) S.A. (current position)
- 2018 Supervisory Officer, NIPPON LIFE PRIVATE REIT Inc. (current position)
- 2018 External Director, the Company (current position)
- 2018 Representative Partner, Chiyoda Audit Corporation (current position)



**Kyoko Uemura**

External Director



- 1994 Assistant Judge, Osaka District Court
- 2004 Judge, Numazu Branch, Shizuoka Family Court
- 2005 Judge, Yokohama District Court
- 2008 Registered as a lawyer
- 2008 Lawyer, LM Law Offices
- 2009 External Auditor, Yahoo Japan Corporation (now Z Holdings Corporation)
- 2017 External Auditor, MS&AD Insurance Group Holdings, Inc. (current position)
- 2018 External Director, the Company (current position)
- 2018 Lawyer, Miyama, Koganemaru & Associates (current position)

- Nominating Committee Member
- Chair of Nominating Committee
- Remuneration Committee Member
- Chair of Remuneration Committee

## Corporate Governance



**Eiji Shimagami**  
Full-time Audit & Supervisory Board Member

1982 Joined Nissan Motor Co., Ltd.  
2000 Joined Japan Telecom Co., Ltd. (now the Company)  
2001 Joined J-Phone Communications Co., Ltd. (now the Company)  
2003 Manager, Human Resources & Planning Department, J-Phone Communications Co., Ltd.  
2007 Manager, General Administration Department, SoftBank Corp. (now SoftBank Group Corp.)  
2008 Corporate Officer, Human Resources & General Affairs Unit, General Affairs Division Head, the Company  
2011 President, SoftBank Atwork Corp. (now SB Atwork Corp.)  
2013 Company Representative and CEO, SB U.S. LLC  
2014 Vice President, CCO, Human Resources & General Affairs Unit, General Affairs Division Head, the Company  
2018 Audit & Supervisory Board Member, SB Energy Corp. (current position)  
2018 Audit & Supervisory Board Member, Bloom Energy Japan Limited (current position)  
2019 Advisor, the Company  
2019 Full-time Audit & Supervisory Board Member (current position)



**Yasuharu Yamada**  
Full-time External Audit & Supervisory Board Member **Independent Officer**

1980 Joined Fuji Bank, Ltd. (now Mizuho Bank, Ltd.)  
1999 Advisor, Global Planning Division, Fuji Bank, Ltd.  
2000 Seconded to Fuji Investment Management Co., Ltd. (now Asset Management One Co., Ltd.)  
2009 Retired from Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)  
2010 Corporate Officer, Legal and Compliance Division Head and Information Management Officer, Mizuho Asset Management Co., Ltd. (now Asset Management One Co., Ltd.)  
2012 Corporate Officer, General Risk Management Division Head, Compliance Division Head and Information Management Officer, Mizuho Asset Management Co., Ltd.  
2014 Executive Managing Director, Managing Executive Officer, Risk Management Group Head, Compliance and Risk Management Division Head and Information Management Officer, Mizuho Asset Management Co., Ltd.  
2014 Executive Managing Director, Managing Executive Officer, Risk Management Group Head, Mizuho Asset Management Co., Ltd.  
2016 Retired from Mizuho Asset Management Co., Ltd.  
2016 Full-time External Audit & Supervisory Board Member, the Company (current position)



**Kazuko Kimiwada**  
Audit & Supervisory Board Member

1982 Passed the secondary examination for Certified Public Accountant  
1983 Joined Deloitte Haskins & Sells LLC (now Deloitte Touche Tohmatsu LLC)  
1986 Passed the tertiary examination for Certified Public Accountant; registered as a Certified Public Accountant  
1995 Joined Mallinckrodt Medical, Inc.  
1996 Joined SOFTBANK Corp. (now SoftBank Group Corp.)  
2000 Accounting Manager, SOFTBANK Corp.  
2004 Accounting Manager & Related Business Manager, SOFTBANK Corp.  
2007 Accounting Manager & Internal Control Manager, SOFTBANK Corp.  
2012 Corporate Officer & Internal Control Manager, SOFTBANK Corp.  
2014 External Audit & Supervisory Board Member, the Company  
2016 Audit & Supervisory Board Member, the Company (current position)  
2016 Corporate Officer, Head of Accounting Unit, SoftBank Group Corp. (current position)  
2017 Executive Corporate Officer, Head of Accounting Unit, SoftBank Group Corp. (current position)  
2018 Director, Audit & Supervisory Committee Member, Yahoo Japan Corporation (now Z Holdings Corporation)



**Kenichiro Abe**  
External Audit & Supervisory Board Member **Independent Officer**

1980 Joined PricewaterhouseCoopers Japan LLC  
2002 Representative Partner, ChuoAoyama Audit Corp.  
2006 Representative Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Aarata LLC)  
2012 Head of Kenichiro Abe Certified Public Accountant Officer (current position)  
2012 Full-time External Auditor, Givaudan Japan K.K.  
2013 External Director, Fujikura Ltd.  
2015 Auditor-secretary, The Japan Professional Basketball League  
2016 External Auditor, Givaudan Japan K.K.  
2016 External Audit & Supervisory Board Member, the Company (current position)  
2017 External Director & Audit Committee Member, Fujikura Ltd. (current position)

### Executive Vice Presidents

Executive Vice President  
**Shuichi Kukita**

Executive Vice President & CNO\*1  
**Hideyuki Tsukuda**

Executive Vice President  
**Eric Gan**

Executive Vice President & CHRO\*2  
**Fumihiko Aono**

### Senior Vice Presidents

Senior Vice President  
**Kinya Honda**

**Kenichi Takashima**

**Keigo Sugano**

**Hiroyuki Terao**

Senior Vice President & CDO\*3

**Kazuhiro Sasaki**

Senior Vice Presidents

**Taku Oketani**

**Tomio Miyake**

**Sadahiro Sato**

**Kunihiro Fujinaga**

Senior Vice President & CS\*4

**Takashi Tsutsui**

Senior Vice President

**Tomohiro Sekiwa**

Senior Vice President & CIO\*5

**Keiichi Makizono**

\*1 CNO: Chief Network Officer

\*2 CHRO: Chief Human Resources Officer

\*3 CDO: Chief Data Officer

\*4 CS: Chief Scientist

\*5 CIO: Chief Information Officer

### Overview of Corporate Governance System (as of June 24, 2020)

<b>Format</b>	<b>Chair of the Board of Directors</b>	<b>No. of Directors</b> (no. of external directors)	<b>No. of independent officers</b>	<b>Term of office for directors</b>
Company with an Audit & Supervisory Board	President	11 (4)	6	1 year

### Attendance of External Officers at Meetings

Name		Attendance at Board of Directors and committee meetings in fiscal year ended March 31, 2020 (attendance/meetings)			
		Board of Directors	Nominating Committee	Remuneration Committee	Audit & Supervisory Board
Atsushi Horiba	External Director <b>Independent Officer</b>	14/14	2/2	3/3	
Takehiro Kamigama	External Director <b>Independent Officer</b>	14/14	2/2	3/3	
Kazuaki Oki	External Director <b>Independent Officer</b>	14/14	2/2	3/3	
Kyoko Uemura	External Director <b>Independent Officer</b>	14/14	2/2	3/3	
Yasuharu Yamada	Full-time External Audit & Supervisory Board Member <b>Independent Officer</b>	14/14			17/17
Kenichiro Abe	External Audit & Supervisory Board Member <b>Independent Officer</b>	14/14			17/17

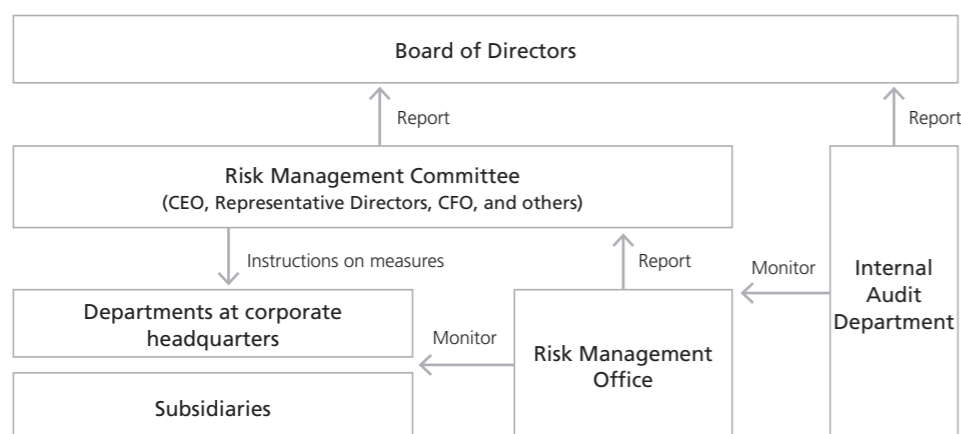


# Risk Management

The corporate business environment is in constant flux, Risk Management Methods with risks becoming increasingly complex and diversified. Early detection and prompt countermeasures are effective for responding to risks. SoftBank established a system for identifying risks and implementing preventative countermeasures and regularly engages in the PDCA cycle in an effort to mitigate and avoid risks.

## Risk Management Structure

To identify and prevent the emergence of Company-wide risks, SoftBank established a system of management that analyzes risks from various angles within the Company. In addition to conducting inspections including risks of department plans for various site measures, the Risk Management Office regularly conducts Company-wide and comprehensive risk assessments and checks on the status of countermeasures, all of which is reported to the Risk Management Committee (whose members include the CEO, representative directors, the CFO and others, with the participation of Audit & Supervisory Board Members and related department managers). The Risk Management Committee determines the importance of risks and the responsible party (risk owner), provides instructions on countermeasures and reports the situation to the Board of Directors. The Internal Audit Department confirms the overall risk management system status from an independent standpoint.



## Risk Management Methods

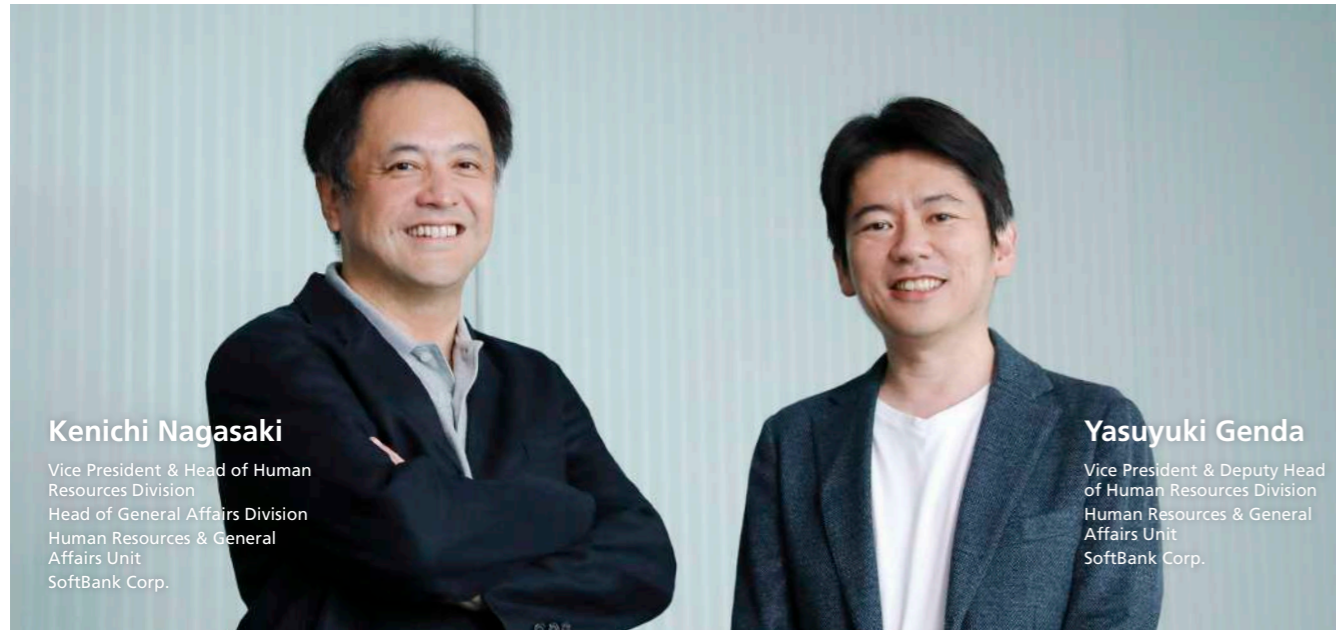
Company-wide risks are managed by (1) conducting annual risk assessments to identify risks so that the Risk Management Committee can determine the importance of risks and formulate management policies, (2) implementing risk countermeasures measures, (3) monitoring the progress of countermeasures implemented by the Risk Management Office, and (4) implementing the PDCA cycle to improve measures.



## Typical Risks and Mitigation Measures

Risk items	Example of typical risks	Risk mitigation measures
Risks related to changes in politics, economy, social conditions, regulations, market environments and competition with other companies	Risk of competition for Group services due to expansion of MVNO market share, intensifying competition in the telecommunications industry due to new entrants, rapid spread of services by start-up companies	Introduce services, products and sales methods that suit consumer preferences
Risks related to changes in technology and business models	Risk that the Group will not be able to respond in a timely and appropriate manner to changes in the market environment, including the emergence of new technologies and business models such as 5G	Surveys of the latest technology and market trends, demonstration experiments for the introduction of services with strong technological superiority and consideration of alliances with other companies
Risk of information leaks and the inappropriate use of the Group's products and services	Risk of information leaks or loss due to intentional Group actions, negligence or unauthorized access such as cyber-attacks by a third party	Limit workplace areas related to confidential information and establish entry/exit management rules; monitor and prevent unauthorized access via cyber-attacks from outside the Company; separate and make independent access authority and network usage according to information security level
Risk related to the provision of stable networks	Risk of inability to maintain communication services quality due to increased traffic (volume) and the inability to secure the required frequency bands. Risk that telecommunications networks or information systems will not operate as normal due to natural disasters or the spread of infectious diseases	Strengthen communication networks based on future traffic forecasts; introduce network redundancy and power outage countermeasures at network centers and base stations
Risks related to corporate acquisitions, business alliances and establishment of joint ventures	Risk that Group investee companies will not be able to achieve expected results; risk of business alliances and joint ventures not producing expected results	When considering the execution of individual investments, conduct necessary and sufficient due diligence, then make investment decisions through a defined approval process
Risks of dependence on other companies' management resources	Risk of inability to maintain usage of communication line equipment owned by other businesses; risk of supply outages, delivery delays or other problems with the procurement of communication equipment	Adopt policies for using communication line equipment from multiple companies and procuring equipment from multiple business partners to build networks
Risks related to developing and retaining human resources	Risk of not being able to retain human resources, such as engineers, required for business operations as planned	Introduce remuneration system that considers level of expertise for personnel with high market value
Legal and compliance risks	Risk of violating laws and regulations; risk of introduction or revision of laws and regulations that may adversely affect the business	Monitor legal and regulatory revisions; consult with lawyers and other outside experts when necessary
Financial and accounting risks	Risk of increased funding costs due to rising interest rates; risks due to changes in accounting and tax systems or impairment losses	Build financial base with sufficient funds by diversifying financing methods; consult with advisory tax accountants and other outside experts when necessary
Relationship risks with parent company	Risk that parent company may have a significant impact on the shareholders meeting resolutions	Voluntarily establish a Nominating Committee and Remuneration Committee chaired by an independent external director comprising independent external directors and the CEO to ensure independence regarding the nomination of officers and determination of remuneration
Service outage and degradation risks due to related system failures	Risk of being unable to continuously provide services due to human error, equipment or system problems, cyber-attacks by third parties, hacking, or other unauthorized access in customer systems, smartphone payment service PayPay or other services	Establish network redundancy and clarify recovery procedures in the event of a failure or other accident

# Human Resource Strategy



**Kenichi Nagasaki**

Vice President & Head of Human Resources Division  
Head of General Affairs Division  
Human Resources & General Affairs Unit  
SoftBank Corp.

**Yasuyuki Genda**

Vice President & Deputy Head of Human Resources Division  
Human Resources & General Affairs Unit  
SoftBank Corp.

**The mission of Human Resources is to connect “people” to “business.”**  
In order to achieve both employee growth and business growth, we have developed various systems and are making improvements to them as we go.

## The goal of our human resource strategy

Human resource growth is an important theme that is also relevant to “developing a resilient management foundation,” which is an SDG and one of our priority issues (materialities). In addition, from a long-term perspective, I believe that companies that are able to continuously contribute to social development will in turn be valued by society.

SoftBank’s business is becoming very diversified, with new businesses growing and group companies expanding.

Furthermore, people from diverse backgrounds come to work at SoftBank under our corporate philosophy of “Information Revolution — Happiness for everyone,” and they are all working to develop their skills and take on new challenges as they work toward their career goals. As human resources professionals, we are focused on how to assign the right people to each business and how to create an environment where they can thrive there. At the same time, we believe it is important for each individual to achieve their own career goals, and that’s why we have put a variety of systems in place.

## Individuals and companies, working to achieve their respective goals

SoftBank’s human resource systems include a free-agent system that allows employees to transfer to their preferred department or group company, a job posting system for recruiting members to new businesses and new companies, a side job system, and SoftBank InnoVenture. What makes our human resource systems special is that they help employees rise to the challenge of achieving their career aspirations.

In terms of employee development, we believe that the best way for employees to grow amidst a rapidly changing business environment is to repeatedly take on new challenges in the course of their daily work. At the same time, we want to combine both on- and off-the-job trainings to enhance the capabilities of our employees through our human resource development programs such as SoftBank University, SoftBank Academia, and SoftBank InnoVenture.

Going forward, we will continue to provide systems to promote both employee growth and business growth simultaneously.

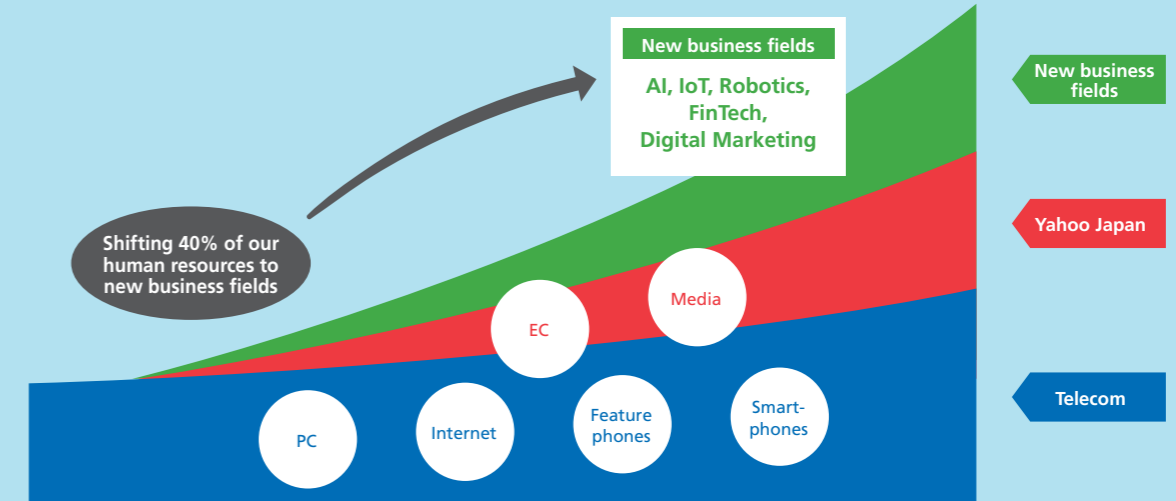
## Human resource strategy that adapts to changes in the business environment

### Strategy for creating a diverse workforce

SoftBank has transformed itself through the expansion of its distribution, publishing, and telecommunications businesses, as well as its information and communications technologies. The telecommunications industry is changing rapidly, and the skills required to keep up continue to change accordingly. SoftBank is pursuing a human resource strategy to create a diverse workforce that is flexible and capable of adding value in a changing environment.

### Shifting 40% of our human resources to new business fields to accelerate the *Beyond Carrier* strategy

As part of its *Beyond Carrier* strategy, SoftBank is working to shift 40% of its workforce into new business fields. As the telecommunications-related business operations become thoroughly digitized and automated, it frees up personnel to contribute to new business fields. We have already transferred thousands of personnel from the telecommunications field to new business fields with the aim of providing new opportunities for employees and accelerating growth in new areas.



### Job posting system that aims to shift human resources to new and growing businesses

This internal recruiting system for starting up new business lines provides opportunities for employees to grow and express themselves and establishes a work environment where anyone can take on new challenges. The system is very popular among employees, as shown by the 3-5x ratio of applicants to job postings, and a total of 835 employees have moved to new jobs taking advantage of the system (as of April 1, 2020).

#### Main business fields recruiting

Smartphone payments	DX	MaaS
AI	Healthcare	Robotics

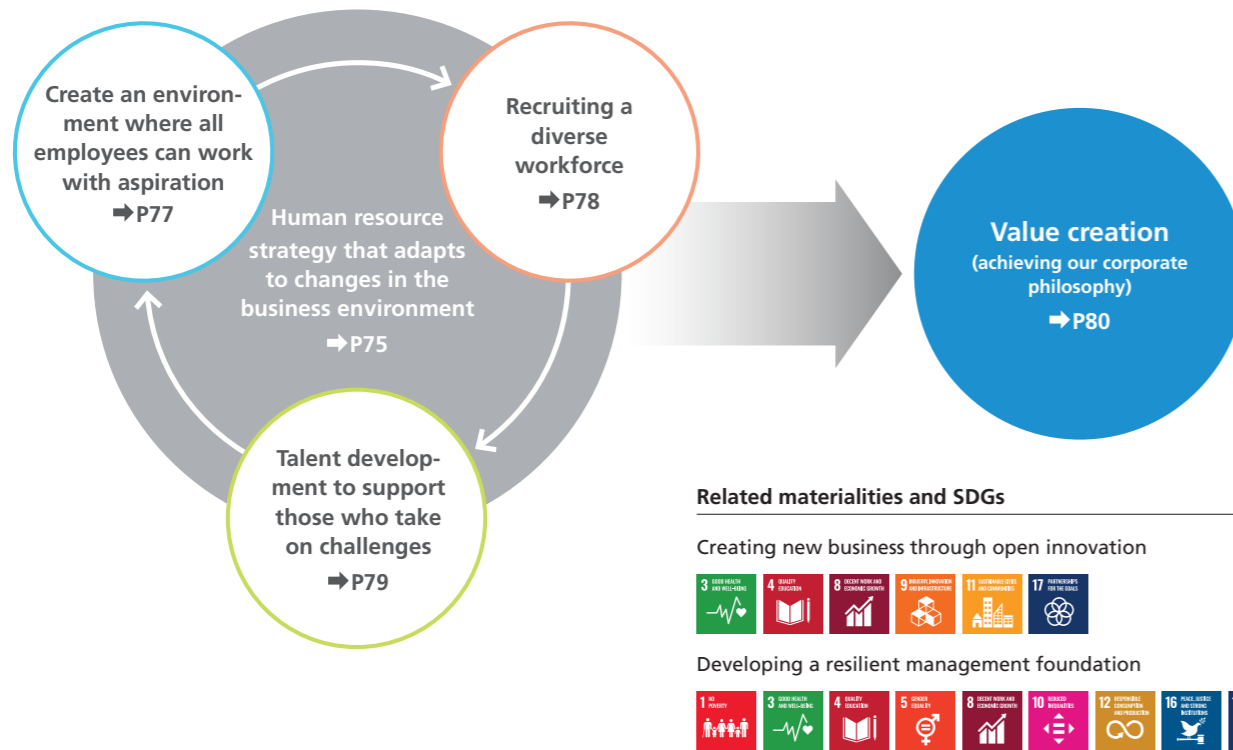
etc.



## Human Resource Strategy

SoftBank has put in place a variety of human resource systems that aim to increase corporate value and support the various career paths that different employees aspire at the same time.

### Human resource strategy framework



### Human Resource Policies

SoftBank must be an organization that continues to win, with positive and highly motivated employees. To unleash the unique potential of our business, we support and reward those employees able to rise to the challenge.

#### An organization that continues to win

To become a business that continues to grow for the next 300 years, we must be an organization that continues to win. We must never fall victim to the “big company syndrome.” We will be bold, embrace change, and be fearless in the pursuit of our goals. We will continue to keep our organization’s vitality.

#### Opportunities for those willing to challenge themselves

SoftBank will always support those who challenge themselves to achieve personal growth. But the decision to take this chance comes down to the individual. We want you to embrace challenge without fear of failure. SoftBank brings together remarkable people, encourages growth through friendly competition, and continues to offer those willing to challenge themselves the opportunity to grow.

#### Fair reward for your efforts

SoftBank rewards employees fairly for the work they do. If you have ability and ambition, there is no limit to what you can do. Age, gender, nationality, and educational background don’t matter. Employees who work hard will be rewarded in line with their results.

## Create an Environment where All Employees Can Work with Aspiration

### Systems that Lay the Foundation for Challenge and Innovation

SoftBank has introduced a mission grade system under which fields and grades are decided according to the individual’s mission and workstyle, rather than personal attributes such as age or gender. Evaluation is based on both contribution, which evaluates work performance and contribution to the organization, and evaluation of core competencies and values required to carry out the mission, with compensation linked to mission grade and evaluation. The purpose of developing these HR systems is to support the potential of employees who take on challenges, to clearly recognize those employees’ achievements, and to foster innovation and improve the well-being of our employees by

developing a progressive workplace environment where diverse human resources can thrive.

#### Challenge measures

We are helping our employees grow and achieve their career goals by operating a job posting system (in-house recruitment system) and a free-agent system.

At SoftBank, employees transfer to their preferred department or group company, or to new companies or new businesses, at their own initiative. In addition, our SoftBank InnoVenture system for proposing new businesses has received a total of 6,600 applications to date, of which 16 have led to commercial ventures.

### Achieving a “Smart & Fun!” Workplace

#### Promotion of Workstyle Reform

SoftBank is tackling workstyle reform with “Smart & Fun!” as its slogan. In this initiative, we are leveraging IT to work smartly and thereby allow personnel to concentrate on activities that are more creative and innovative. We are also freeing up time through our Super Flextime System, which helps employees maximize results by enabling them to work in a more efficient, focused manner. SoftBank aims to make work itself “fun!” by investing the freed-up time in the growth of each individual. SoftBank has implemented social distancing in its offices to prevent the spread of COVID-19. At the same time, to maximize the productivity of individuals and organizations, we have introduced new workstyles including the use of satellite offices and working from home, and allowing employees to travel directly to and from their homes and outside destinations. Anyone of these measures can be combined as often as deemed necessary. We also strive to keep the number of employees coming to the office on any given day at 50% or less. We are encouraging an optimal workstyle by positioning the office as a place for team building, collaboration, and innovation, and the home as a place for focused work.

#### Promotion of Health and Productivity Management

To ensure our employees are mentally and physically healthy, we encourage employees to receive regular health checkups and stress checks. In addition, we have established the Wellness Center, introduced online medical consultations, and prohibited smoking during working hours. In an effort to help employees enhance their health, SoftBank organizes seminars on such themes as diet improvement, regular exercise, quitting smoking, mental health, and women’s health. In light of COVID-19, these are now mostly online webinars. We also conduct an annual health awareness survey to assess the current health of employees and review health promotion measures, and we are developing a health management e-learning program to improve the health literacy of employees. In recognition of these efforts, SoftBank has been certified as a “White 500” organization by the Certified Health Management Organization Program for the second consecutive year since 2019.



### Enhancing Employee Satisfaction with Diversity and Inclusion

#### Employee Satisfaction (ES) Surveys

Employee Satisfaction (ES) surveys are conducted each year to monitor satisfaction and identify issues, as part of efforts to build stronger organizations and increase motivation. Action plans are created based on an analysis of results and conditions, both

companywide and in each division. This ties into continuous improvement activities for building better organizations, and also ensures that those improvement activities permeate through all levels of the organization, contributing to employee vitality and improved business performance.

## Human Resource Strategy

### Promoting Diversity

At SoftBank, we are working to create opportunities and environments in which diverse human resources can demonstrate their individuality and abilities, regardless of age, gender, nationality, or physical abilities. Currently, the percentage of female employees is about 30% and the percentage of female managers is 6.6% (as of April 2020\*). More than 90% of our female employees return to work after taking maternity and childcare leave, and many women are able to balance work and childcare at the same time.

SoftBank is working to create an inclusive environment where everyone, including people from the LGBT community, can work comfortably. Beginning in October 2016, we extended eligibility for company benefits beyond legally recognized spouses to include same-sex partners. As a general rule, the same standards are applied to the hiring of people with disabilities as to those with no disabilities, and there is no distinction in their treatment after joining the company.

\* Figures for SoftBank Corp. (standalone basis) and major affiliates.

## Recruiting a Diverse Workforce

### SoftBank's Recruiting Policies

SoftBank has a number of initiatives in place to attract a diverse workforce. In our mid-career hiring process, where we recruit for specific jobs, we focus on direct recruiting\*1 and referrals from our employees to hire people who come ready to work. Meanwhile, for new graduate recruitment, we adopt a policy of "universal hiring." Unlike most Japanese companies, which recruit large numbers of graduates at once, SoftBank keeps its doors wide open so that people who wish to take on challenges can seek employment freely of their own accord.

Because candidates are not limited by the passage of time after graduation, they can apply for a position with SoftBank even after working for a time at another company. All recruits are selected based on the same criteria, regardless of attributes such as gender or nationality. Candidates can apply through a wide range of selection programs, including "No. 1 Recruitment" international graduate recruitment, and a variety of internships. The use of AI as a tool in scoring entry sheets and video interviews contributes to fair and objective evaluations based on uniform evaluation standards.

\*1 Hiring by approaching the talent you need directly rather than via a recruitment agency.

### Focus on Intern Recruiting

SoftBank runs a JOB-MATCH internship program that allows candidates to apply their experience and skills in an actual job. In these hands-on internships, candidates work alongside SoftBank employees for 2 weeks or 4 weeks. This experience is more effective than an interview at revealing the company culture and letting both sides evaluate each other's strengths and individuality.

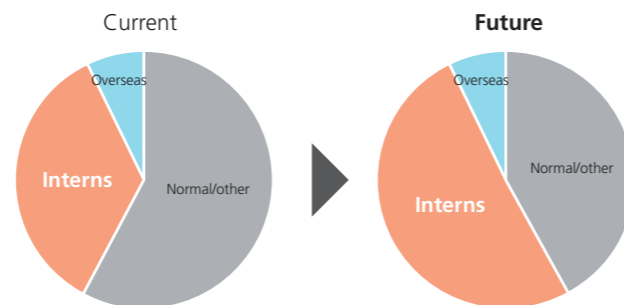
Other programs include TURE-TECH, our regional development internship program in which participants spend a week in a rural area to work on solutions to local issues, and "01gateway", our internship program for creating new businesses by having

participants go through the experience of starting a business from zero, SoftBank style.

Going forward, SoftBank intends to continue to expand its internship opportunities and intern recruitment, since this approach is more effective than conventional recruitment as a means of hiring diverse talent and reducing mismatches between company and candidate.

### How candidates are hired

#### Further expansion of intern recruiting



### Use of Technologies in Recruiting

SoftBank actively uses technologies in its recruiting activities to match recruits with companies, and to invest the time saved in more strategic recruiting that will bring about the best results for both the candidates and the Company. To this end, a wide range of technologies have been adopted; for example: Video interviews have been introduced to reduce the burden of time and costs for candidates traveling to selection venues, and AI-based chatbots are used to reduce the time and effort required to respond to candidate inquiries. In addition, the use of AI as a tool in scoring entry sheets and video interviews contributes to fair and objective evaluations based on uniform evaluation standards\*2.

\*2 If a candidate fails a screening or interview based on AI results, those results are re-evaluated by an HR officer to guarantee the accuracy of the selection process.

## Talent Development to Support Those who Take on Challenges

### A Training System for All Employees

#### SoftBank University



SoftBank University is SoftBank's own unique training system that is designed to train personnel who can contribute to the realization of the SoftBank Group's corporate philosophy. SoftBank University has three main curricula, comprising the SoftBank Business Program, the Technology Program, and the Stratified Layer Program, all of which aim to foster personnel with strong individuality.

In June 2009, the "SoftBank University Internally Certified Instructor (ICI\*) program" was introduced to enable employees to pass on their expertise (knowledge, experience, and wisdom) to others, and to promote more effective trainings. These employees conduct trainings based on their experience, thereby providing other employees with opportunities to enhance their skills.

\* Internally Certified Instructor

**Number of students per year**  
(average per year since fiscal year ended March 31, 2017)

More than **9,000**

**Satisfaction**  
(elicited from participants)

**90%** or greater

**Internally certified instructors**  
(as of March 31, 2020)

More than **110**

### Identifying and Grooming Successors to Lead the Group

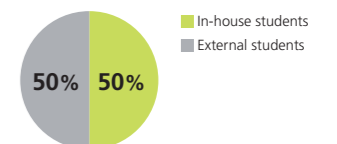
#### SoftBank Academia



SoftBank Academia was established by Masayoshi Son with the aim of identifying and grooming successors. The program is open to not only SoftBank Group employees but also students from outside the SoftBank Group, including startup managers, engineers, and researchers.

**Enrolled Academia students**

About **300**



### In-House System for Starting Business

#### SoftBank InnoVenture



SoftBank InnoVenture is an in-house entrepreneurship program that helps employees realize new business proposals. Any employee of a SoftBank Group company can make a proposal. A large number of original and innovative ideas have been submitted as proposals, and several of them have started as businesses.

**umami**ell

**Scatch!**

**MICE Platform**

**connect+**

**HELLO CYCLING**



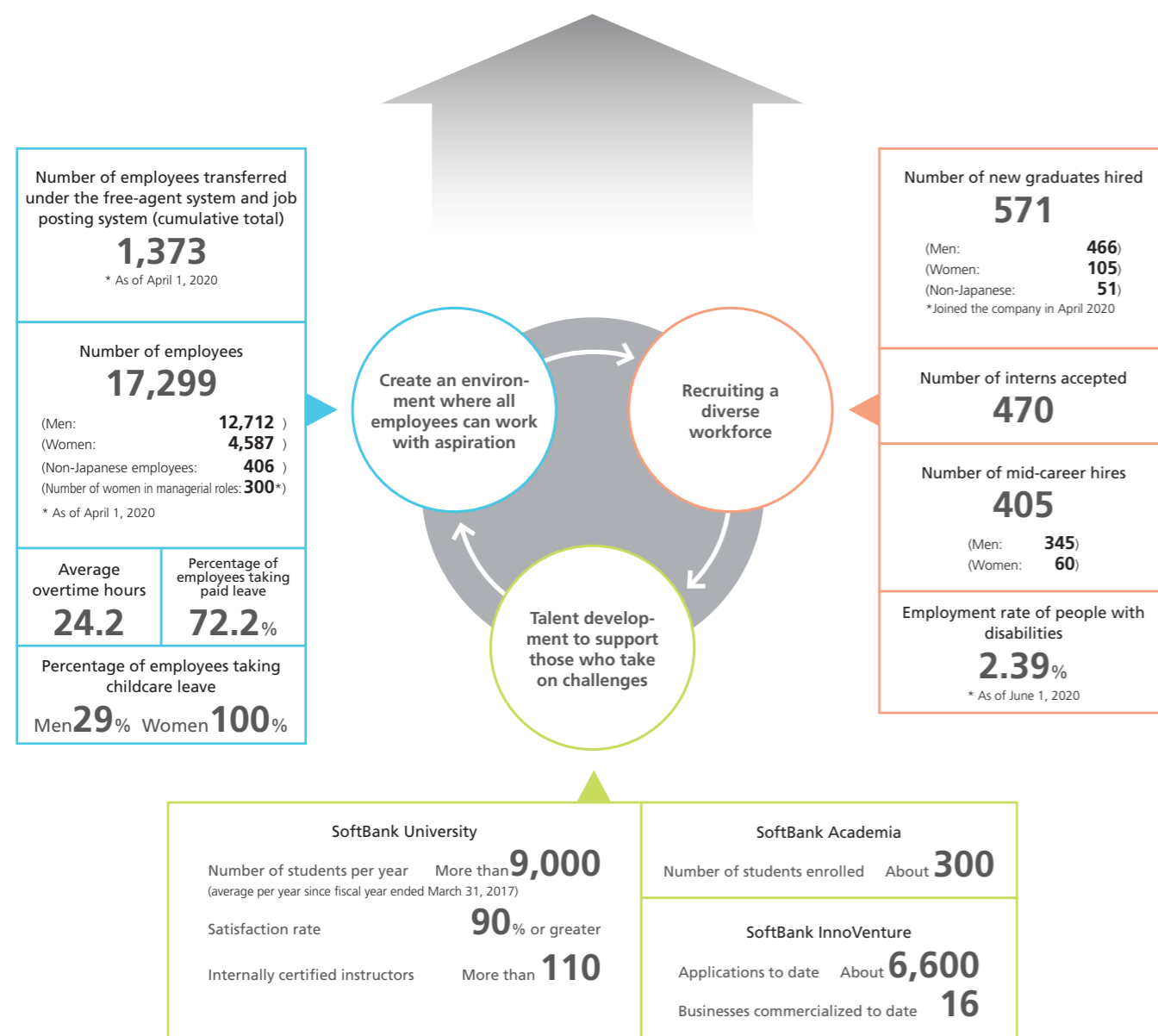
## Human Resource Strategy

### Value Creation (Achieving our Corporate Philosophy)

# Information Revolution — Happiness for Everyone

Under this philosophy, SoftBank brings together people motivated to do their best work

We have put in place a number of human resource initiatives under SoftBank's unique human resources strategy framework with the goal of developing talent who will continue to energetically implement our *Beyond Carrier* strategy.



\* The figures listed under "Create an environment where all employees can do their work with aspiration." and "Recruit a diverse workforce" are for SoftBank (standalone basis).  
\* As of March 31, 2020, or full year of fiscal year ended March 31, 2020, if not otherwise stated.

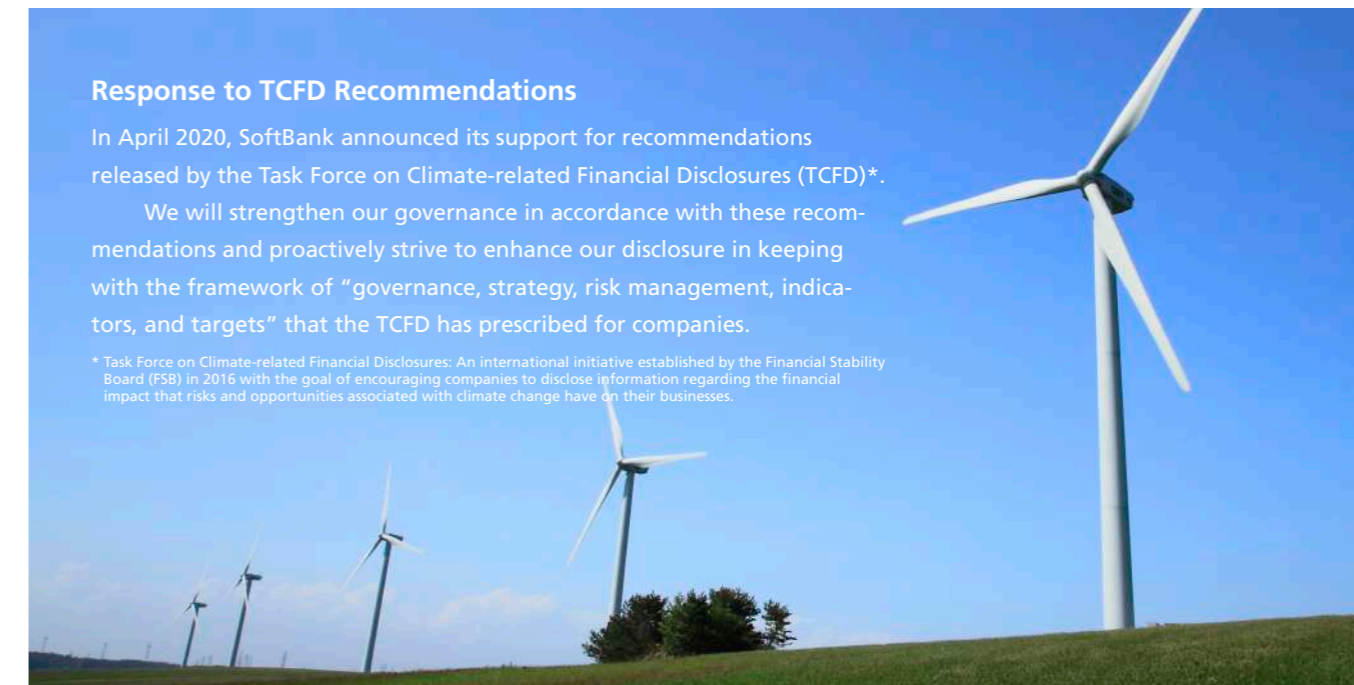
## Environmental Initiatives

### Response to TCFD Recommendations

In April 2020, SoftBank announced its support for recommendations released by the Task Force on Climate-related Financial Disclosures (TCFD)\*.

We will strengthen our governance in accordance with these recommendations and proactively strive to enhance our disclosure in keeping with the framework of "governance, strategy, risk management, indicators, and targets" that the TCFD has prescribed for companies.

\* Task Force on Climate-related Financial Disclosures: An international initiative established by the Financial Stability Board (FSB) in 2016 with the goal of encouraging companies to disclose information regarding the financial impact that risks and opportunities associated with climate change have on their businesses.



### Governance

SoftBank established the SDGs Promotion Committee to support the regular review of climate-change related initiatives as an advisory body to the Board of Directors. This committee is chaired by the president and CEO, who also serves as the Chief SDGs Promotion Officer a position that assumes ultimate responsibility for all sustainability activities, including climate change-related strategies.

In addition to the SDGs Promotion Committee, we have established the Environment Committee, which supports internal efforts to promote climate change prevention under the direction of the Chief SDGs Promotion Officer and the SDGs promotion officer. The Environment Committee is responsible for the management of risks and numerical values related to climate change; numerical management aimed at limiting waste generation, water consumption, and other environmental impacts; and promoting operations, initiatives, and awareness-raising activities that support these aims. The Environment Committee is chaired by the director of the CSR Department and appoints an environmental response manager for each department and the Group.

### Strategy

SoftBank operates a telecommunications business that includes 230,000 base station locations and uses a large volume of electricity. Accordingly, we recognize that our businesses could be subject to significant risks associated with climate change.

To assess climate-related risks and opportunities and consider adoption strategies that will prepare us for future events caused by climate change, we conducted analyses based on two scenarios indicated in the 2016 Paris Agreement, an international framework for global warming countermeasures that has been agreed upon by 196 countries around the world. The first scenario used for these analyses was one in which the average global temperature rises 2°C or less since the Industrial Revolution following a transition to a low-carbon economy. The second scenario involves an average global temperature rise of slightly less than 4°C since the Industrial Revolution as failure to implement climate change countermeasures exceeds current projections.

The 2°C scenario assumes the implementation of carbon pricing and other strengthened climate change countermeasures and supposes that climate change will not accompany enough physical impact to have an effect on business. We analyzed cost increases that would occur in association with the shift to renewable energy and energy conservation development if carbon pricing of about 6,000 JPY per tCO<sub>2</sub>e were implemented as assumed in data obtained from sustainable development scenarios issued by the International Energy Agency.

The 4°C scenario assumes that climate changes are not strengthened, resulting in physical impact from climate change, including extremely abnormal weather patterns. In calculating possible physical impact, it used a representative concentration pathway of 8.5 W/m<sup>2</sup>. The specific analyses are as follows.

## Environmental Initiatives

**Scenario assuming a 4°C rise in average global temperature: Projects a future in which typhoons and other natural disasters become more frequent and increase in size and intensity**

Scenario	Identified risks	Initiatives considered	Period before occurrence of risk
More frequent, large, and intense natural disasters	Rise in recovery costs due to an increase in the amount and severity of facility damage	Strengthen efforts aimed at preventing and mitigating disasters <ul style="list-style-type: none"> <li>Strengthen telecommunications infrastructure through the implementation of redundant power supplies, etc.</li> <li>Provide HAPS service that is not affected by natural disasters</li> </ul>	Long-term
Rise in frequency of extremely hot days	Increase in cost of electricity used for air conditioning	Strengthen energy conservation efforts <ul style="list-style-type: none"> <li>Substitute energy-saving equipment</li> <li>Improve power efficiency with IoT technology</li> </ul>	Long-term

Reference: Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change

**Scenario assuming a rise of 1.5–2.0°C in average global temperature: Presupposes the rapid achievement of a decarbonized global society**

Scenario	Identified risks	Initiatives considered	Period before occurrence of risk
Strengthened decarbonization regulations	Increased tax burden due to carbon tax implementation	Shift to the use of renewable energy to power base stations	Medium-term
	Increase in electricity costs due to a shift to renewable energy	Strengthen energy conservation efforts <ul style="list-style-type: none"> <li>Substitute energy-saving equipment</li> <li>Improve power efficiency with IoT technology</li> </ul>	Short-term
Rising environmental awareness	Loss of customers due to reputation risks associated with potential underperformance of environmental initiatives	Implement CO <sub>2</sub> emission reduction efforts and disseminate relevant information <ul style="list-style-type: none"> <li>Shift to the use of renewable energy to power base stations</li> <li>Provide natural electricity</li> <li>Promote new businesses that contribute to CO<sub>2</sub> reduction</li> </ul>	Short-term

Reference: "Energy Technology Perspectives 2017 Beyond 2°C Scenario (B2DS)" from the International Energy Agency

### Risk Management

Based on these scenario analyses, the Environment Committee, which is responsible for managing climate-related and other environmental risks, identifies specific climate change-related risks and opportunities brought forth by both the Company and all group companies that are subsequently evaluated and analyzed by the SDGs Promotion Committee. Matters determined to be of high importance are submitted to the Board of Directors for discussion.

In fiscal year ended March 31, 2020, to measure potential effects from risks associated with decarbonization, we implemented shadow pricing and analyzed its financial impact. With regard to opportunities, we considered converting our base stations to renewable energy as a means of responding to reputational risks associated with climate change and analyzed relevant impacts on both business and finance.

### Indicators and Targets

By managing environmental impact data, we also manage risks and opportunities associated with climate change.

As one of our primary numerical targets in fiscal year ending March 31, 2021, we aim to generate 30% of the electrical power consumed at our base stations through renewable energy sources. We will strive to raise this ratio to 50% in fiscal year ending March 31, 2022 and to 70% in fiscal year ending March 31, 2023 as we gradually shift toward renewable energy and will simultaneously curtail our greenhouse gas emissions.

Category	Unit	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	
Greenhouse gas (GHG) emissions (Scope 1, 2)	Total	t-CO <sub>2</sub>	733,515	722,514	693,953	776,104
	Scope 1	t-CO <sub>2</sub>	11,400	11,386	11,456	15,803
	Scope 2	t-CO <sub>2</sub>	722,115	711,128	682,497	760,301

Note: Values are determined based on the following boundaries:

- Through fiscal year ended March 31, 2019: SoftBank Corp. (standalone basis)
  - Fiscal year ended March 31, 2020: All SoftBank Corp. (standalone basis) business sites and major affiliates (Yahoo Japan Corporation, ASKUL Corporation)
- Note: Values increased in fiscal year ended March 31, 2020 due to a change in boundaries

Category	Description of calculation	Unit	Fiscal year ended March 31, 2020	Rate (%)
Scope 1	Direct emissions		11,773	0.4
Scope 2	Indirect emissions from energy sources		663,644	23.1
Scope 3	Other indirect emissions		2,202,152	76.5
Category 1: Purchased products and services	Calculated by multiplying the purchase price of products and services by emission intensity, including during the stage in which all products are procured and transported		447,211	15.5
Category 2: Capital goods	Calculated by multiplying capital investment amount by the rate of emission intensity per unit of capital good value		1,105,300	38.4
Category 3: Activities related to fuels and energy not included in scope 1 or 2	Calculated by multiplying fuel and energy consumption by emission intensity at the time of fuel procurement		98,327	3.4
Category 4: Transportation and delivery (upstream)	In cases of indirect conveyance and shipping, value is calculated by multiplying transportation cost by the rate of emission intensity per unit of monetary value (procurement transport is included under category 1)		23,993	0.8
Category 5: Waste from business	Calculated by multiplying the weight of industrial waste by rates of emission intensity for different types of waste and treatment methods		475	0.02
Category 6: Business trips	Calculated by multiplying transportation expenses by rates of emission intensity associated with units of transportation expense paid in different categories of transportation and by multiplying the number of days during which living accommodations were provided by per-day rates of emission intensity	t-CO <sub>2</sub>	6,204	0.2
Category 7: Commuting of employees	Calculated by multiplying the total commuting distance of employees by the rates of emission intensity per kilometer traveled by one individual employee in different transportation categories		7,879	0.3
Category 8: Lease assets (upstream)	Calculated by multiplying the total distance traveled by company cars by the emission intensity associated with fuel consumption levels corresponding to the maximum loading capacities enabled by different types of fuel		8,786	0.3
Category 9: Transportation and delivery (downstream)	(Not calculated)		–	–
Category 10: Processing of sold products	(Not calculated)		–	–
Category 11: Use of sold products	Calculated by multiplying the number of products sold or rented by the lifetime electrical power consumptions and rates of emission intensity associated with the use of each product		434,079	15.1
Category 12: Disposal of sold products	Calculated by multiplying the total weight of products sold by the rates of emission intensity associated with each type of waste produced as a result		815	0.03
Category 13: Lease assets (downstream)	(Included under category 11)		–	–
Category 14: Franchise	Calculated by multiplying the total floor area of SoftBank and Y!mobile stores by the rates of emission intensity per unit of floor area associated with each different building purpose		69,083	2.4
Category 15: Investment	(Not calculated)		–	–
Total			2,877,569	100.0

Note: Values only calculated for SoftBank Corp. (standalone basis)



## Environmental Initiatives

Category		Unit	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Energy	Electric power consumption	Thousand kWh	1,338,019	1,418,791	1,355,703	1,644,234
	Of which, renewable energy consumption	Thousand kWh	36	44	44	32,516
	City gas	Thousand m <sup>3</sup>	4,835	4,731	4,554	4,508
	Bunker A fuel oil	kl	65	144	190	160

Category		Unit	Fiscal year ended March 31, 2020
Greenhouse Gas	Carbon Dioxide (CO <sub>2</sub> )	t	14,408
	Methane (CH <sub>4</sub> )	t-CO <sub>2</sub>	1,108
	Dinitrogen Monoxide (N <sub>2</sub> O)	t-CO <sub>2</sub>	127
	Hydrofluorocarbons (HFCs)	t-CO <sub>2</sub>	161
	Perfluorocarbons (PFCs)	t-CO <sub>2</sub>	0
	Sulfur Hexafluoride (SF <sub>6</sub> )	t-CO <sub>2</sub>	0

Note: Values are determined based on the following boundaries:

- Through fiscal year ended March 31, 2019: SoftBank Corp. (standalone basis)
- Fiscal year ended March 31, 2020: All SoftBank Corp. (standalone basis) business sites and affiliates (Yahoo Japan Corporation, ASKUL Corporation)

Note: Values increased in fiscal year ended March 31, 2020 due to a change in boundaries

Note: Our greenhouse gas (Scope 1, 2, and 3) emissions and energy consumption during fiscal year ended March 31, 2020 were verified by the Japan Quality Assurance Organization, a third-party institution (verified ISO 14064-3 compliant with a limited level of assurance).