

## Special Feature 4 Messages from External Directors



**Atsushi  
Horiba**

External Director  
Chairperson,  
Nominating Committee  
Chairperson,  
Remuneration Committee

At present, Japan is SoftBank's primary market. However, the Company always keeps abreast of issues worldwide and has its sights set on forays into markets overseas. Based on my experience of working for HORIBA, Ltd., in more than 25 countries across regions worldwide, I believe that when developing businesses overseas it is essential to directly establish deep roots in each region, even if this takes time. Further, establishing a common corporate culture is the most important way of bridging the differences among respective regions' values. Cultivating a sense of solidarity by taking the time to communicate, investing in people generously, and deepening mutual understanding are the keys to medium to long term success. I can state such opinions with confidence precisely because they are based on personal experience. Moreover, I think that SoftBank will definitely benefit from my recommendations, and I intend to offer opinions proactively at meetings of the Board of Directors.

SoftBank is a company that greatly values its corporate culture, which has the outstanding feature of emphasizing creativity. This environment generates a constant stream of appealing ideas and energizes employees. As a result, the Company becomes more competitive naturally. When encountering a setback, companies tend to reform everything to make a complete change. However, I hope that even when facing difficulties, SoftBank never loses its corporate culture and passes it on to future generations as a valuable legacy.

As technological innovation accelerates and social trends evolve, the competitive environment of the telecommunications business is becoming more challenging and requires sophisticated, swift decision-making by management. In such situations, it is important that members of the senior management team remain confident and proud of their businesses and strategies, are always aware of their position and trends in society, and hone their insightfulness. As for myself, I would like to have more opportunities to learn about the internal operations of SoftBank and gain a deeper understanding of its corporate culture and philosophy. As we address a variety of issues, I want to utilize my experience and knowledge gained from managing a global company and do everything I can to help SoftBank grow further.



**Takehiro  
Kamigama**

External Director

My relationship with SoftBank dates back to technology exchange events held with TDK Corporation. For many years, I worked in global businesses, and gained firsthand experience of how local companies go from strength to strength. I would like to see SoftBank become one of Japan's leading companies that can compete on an equal footing under such circumstances. The Company has been making rapid progress with strategies in a variety of businesses. As an external director, I carefully consider the discussions that lead up to decisions as well as the transparency of processes.

Attention tends to focus only on the profitability of the Company because it is innovative and ambitious. However, I believe that SoftBank is uniquely qualified to help address social issues. Accordingly, I would like to see the Company increase its emphasis on environmental, social, and governance factors. When I served as the representative director of TDK and was having difficulty arriving at a decision, I based my decision on whether or not the issue in question had social significance. For example, if our technology was being used in products that affected people adversely, we would withdraw from the business, no matter how profitable it was. If SoftBank received a proposal focused exclusively on making a profit, I would reject it. However, if a proposal could help address a social issue, I hope the Company would be prepared to take on a little risk and move forward with the idea decisively. I will wholeheartedly support any ideas that I believe have the potential to benefit Japan and the world. Of course, I cannot instantly understand every proposal. Therefore, in making decisions, I intend to first learn directly about people's opinions, feelings, and ways of thinking by visiting the Company's work sites. I have already visited sites on multiple occasions, and I plan to continue doing so as often as possible.

SoftBank's Board of Directors conducts lively discussions on a host of agenda items, which I think is an extremely positive attribute. On the other hand, Board discussions occasionally become heated and go into detailed discussions that are more suited to management-level meetings. From the perspective of improving effectiveness of the Board of Directors, there is room for making discussions a little bit more structured. That said, it may well be only a matter of time when such issues are addressed. Looking ahead, the *Beyond Carrier* strategy is a highly appealing strategy unique to SoftBank. Adopting the same viewpoint as shareholders, the external directors will rigorously consider how the Company can benefit society in the years to come.



Kazuaki  
Oki

External Director

At meetings of SoftBank's Board of Directors, I intend to provide opinions in light of my experience garnered through the accounting audit of non-Japanese companies as well as Japanese companies listed outside of Japan. When I was appointed as an external director and first met President & CEO Ken Miyauchi, I felt both his strong appetite for pursuing bold measures, even if they entail risks, and a willingness to take the time to examine matters carefully. I think he has a very well-balanced approach to business management. Although the Board of Directors examines many proposals, meetings proceed with very good tempo. Before meetings, external directors receive thoughtful, in-depth briefings. Consequently, even if the pace of a meeting is rapid, I feel that I have a good command of the discussion points and can contribute effectively to decision-making.

SoftBank's major business is the telecommunications business. Given its *Beyond Carrier* strategy, however, the Company will probably need to change its accounting segments in the future to reflect the operations of a corporate group that has transcended the telecommunications business. I assume these topics would be raised for discussion by the Board of Directors. I will use my knowledge and monitor carefully and offer my guidance to the process. Also, advancing the *Beyond Carrier* strategy will further increase the number of joint ventures, raising the issue of how best to manage this group of companies. Therefore, I will also focus steadily on this point.

Due to its innovativeness, SoftBank is sometimes viewed as being slightly wild. However, working at the Company has left me with a different impression. While the employees are highly energetic, they are also very earnest. In addition, the Company's management systems are impressively sturdy. As well as helping to increase the effectiveness of the Board of Directors, I want to actively participate in the training program for external directors conducted by the Japanese Institute of Certified Public Accountants and contribute to the further evolution of these management systems.



Kyoko  
Uemura

External Director

Given that SoftBank listed recently, internal and external directors emphasize proactive dialogue because they are not yet completely used to each other. The decisive factor in my appointment as an external director was that the senior management team asked me to state opinions unreservedly and from a variety of perspectives. Public opinion can be critical of or concerned by the listing of a parent company and its subsidiary. Mindful of this, I believe that the scope of external directors' responsibility includes confirming the extent to which the Company is upholding the transparency of decision-making processes and realizing appropriate accountability. At meetings of the Board of Directors and prior briefings, I want to state opinions based on an awareness of issues that differs from that of internal directors and to deepen discussions.

Before my appointment, I viewed SoftBank as a top-down company, which is a widely held impression. However, respective officers and employees have their own clear policies and are able to make decisions and take action independently in relation to a variety of issues. The Company has amazingly powerful capabilities for achieving breakthroughs, welcomes change, does not fear failure, and never hesitates to evolve. I think that the high level of competence of individuals and the broad scope of their activities coupled with sufficient lateral collaboration give the Company a robust foundation. At meetings of the Board of Directors, Chairman Masayoshi Son certainly has a large presence, but nonetheless, he devotes himself to the role and position of chairman of the Board, while President & CEO Ken Miyauchi and other members of the senior management team lead the Company and business management.

At the same time as rapidly advancing innovative strategies, SoftBank deploys significant amounts of financial and human resources to the implementation of basic strategies in its role as a telecommunications operator responsible for providing part of society's infrastructure. For example, the Company collects timely, accurate natural disaster-related information, which is also shared with external directors. To ensure that it can respond whenever an earthquake causes a disaster, the Company has prepared vehicle-mounted network systems that can be deployed to disaster areas immediately. The Company's level of disaster readiness is a little known but very important attribute. Further, the protection of personal information and big data going forward is an important issue in Japan, where reliability, credibility and dependability are particularly valued. Accordingly, SoftBank is building a robust risk management system and gathering the latest information from a wide range of sources. I would like more stakeholders to know about SoftBank's well-developed awareness of the need for offensive and defensive measures as well as the Company's implementation of such measures.

# SoftBank's Corporate Governance

## Corporate Governance System

- Features**
- Company with Audit & Supervisory Board
  - 7 Internal Board Directors, 4 External Board Directors
  - Over one-third of Board membership comprises External Board Directors
  - Voluntary establishment of Advisory Committee
  - Nominating Committee (Chairperson: External Board Director)
  - Remuneration Committee (Chairperson: External Board Director)

### Reasons for Adoption of Current Corporate Governance System

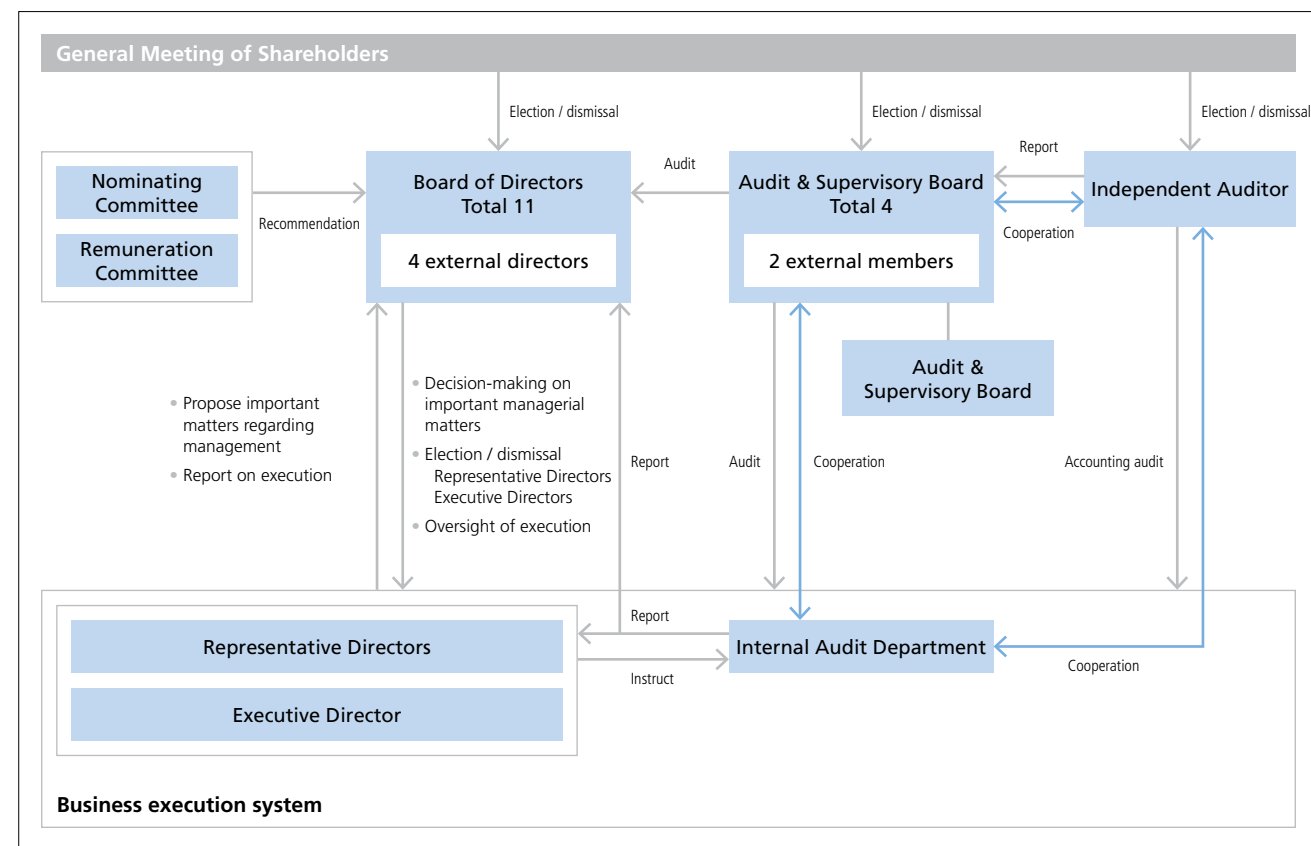
The Company has established the Board of Directors as a decision-making body for important matters and an oversight body for the status of business execution. The Board of Directors also plays a role in steering management to improve long-term enterprise value. At present, the Board of Directors consists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

In addition, the Company has established the Audit & Supervisory Board to conduct 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," "audit plan" and "audit method." Audit & Supervisory Board Members carry out audit activities in accordance with this policy and plan.

Moreover, the Company has 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 shall 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.

### Board 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       |

### Board of Directors Advisory Body

|                                 | Nominating Committee   | Remuneration Committee   |
|---------------------------------|--|--|
| Committee chair                 | Atsushi Horiba (External Director)   | Atsushi Horiba (External Director)   |
| Members (incl. committee chair) | Ken Miyauchi (CEO)<br>Atsushi Horiba (External Director)<br>Takehiro Kamigama (External Director)<br>Kazuaki Oki (External Director)<br>Kyoko Uemura (External Director)                               | Ken Miyauchi (CEO)<br>Atsushi Horiba (External Director)<br>Takehiro Kamigama (External Director)<br>Kazuaki Oki (External Director)<br>Kyoko Uemura (External Director)     |
| Objective                       | 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. | Submit proposals on the individual remuneration of Board Directors of the Company and on the remuneration program for Board Directors and Audit & Supervisory Board members. |

## Audit & Supervisory Board

The Audit & Supervisory Board meets once a month, in principle. At the meeting, the Audit & Supervisory Board Members decide on the audit policy, plan, and other matters, receive quarterly briefings and

reports related to the earnings results from the Independent Auditor, and exchange information and opinions with the Independent Auditor as necessary. The Audit & Supervisory Board receives briefings from Board Directors on individual cases as necessary.

The Audit & Supervisory Board consists of four members, two of whom are external members (two full-time members and two part-time members). One of the four Audit & Supervisory Board Members concurrently holds the positions of the CCO of the Company, head of the General Affairs Division, and president and representative director of Group companies, and has a wealth of knowledge and experience in governance, compliance, and corporate management. The Company ensures adequate independence of the two external Audit & Supervisory Board Members, who have a wealth of knowledge and experience in compliance, risk management or certified public accounting. Audit & Supervisory Board Members including external Audit & Supervisory Board Members attend the Board of Directors meetings, allowing them to monitor and verify the decision-making of the Board and fulfillment of the Board's obligation to supervise the execution of duties by each Board Director. Moreover, the Audit & Supervisory Board Members receive regular reports from Board Directors, Audit & Supervisory Board Members, and other personnel of major subsidiaries and conduct hearings, as necessary, to audit the execution of duties by the Board Directors of the Company.

## Internal Audits

The Internal Audit Department conducts internal audits of the overall duties of the Company as an organization directly under the CEO, and also conducts audits of subsidiaries as a parent company. The Internal Audit Department mainly evaluates business compliance with laws and regulations and effectiveness of internal control, 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.

### Supporting System for External Directors and/or 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.

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 &amp; Supervisory Board Members

| Name   | Reasons for Appointment   |
|--|---|
| <b>Masayoshi Son</b><br>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><br>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><br>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><br>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><br>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>Kazuhiro Fujihara</b><br>Board Director, Executive Vice President & CFO | Since taking office as the Company's Managing Executive Officer (CFO) in April 2006, Mr. Fujihara has served in prominent positions at the Company, primarily head of finance, accounting and governance units, 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><br>Board Director                                    | Since assuming the position of COO of Yahoo Japan 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><br>External Director Independent Officer             | Having served as Representative Director of HORIBA, Ltd. for approximately 27 years from 1992 to date, Mr. Horiba has been leading the growth of HORIBA group and therefore has a wealth of management experience. He is elected as an external director to have him 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 corporate governance.   |
| <b>Takehiro Kamigama</b><br>External Director Independent Officer          | 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 profitability of TDK's business and expanding business fields. He is elected as an external director to have him 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 strengthen corporate governance.  |
| <b>Kazuaki Oki</b><br>External Director Independent Officer                | Mr. Oki has extensive knowledge and experience as a certified public accountant. He is elected as an external director to have him 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 strengthen corporate governance.  |
| <b>Kyoko Uemura</b><br>External Director Independent Officer               | Ms. Uemura has extensive knowledge and experience as a lawyer. She is elected as an external director to have her 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 corporate governance.  |
| <b>Eiji Shimagami</b><br>Full-time Audit & Supervisory Board Member        | Mr. Shimagami served as Vice President, CCO, Human Resources & General Affairs Unit, General Affairs Division Head of the Company 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 a new Audit & Supervisory Board Member to have him conduct audits from a professional and multifaceted standpoint drawing on his knowledge and experience.   |

| Name   | Reasons for Appointment   |
|--|---|
| <b>Yasuharu Yamada</b><br>Full-time Audit & Supervisory Board Member Independent Officer | 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. The Company designated him as an external Audit & Supervisory Board Member 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><br>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><br>External Audit & Supervisory Board Member Independent Officer    | Mr. Abe has extensive knowledge and experience as a certified public accountant. The Company designated him as an external Audit & Supervisory Board Member to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective on the audits.  |

## Remuneration

The remuneration policy for directors and Audit & Supervisory Board Members at the Company is to confirm that remunerations are at an appropriate level compared to remuneration for domestic company managers roughly of the same or larger business scale based on a survey concerning remuneration for domestic company managers conducted by an independent organization.

The policy for determining directors' remuneration is to enhance the motivation of directors to contribute to improving not only short-term but also medium- to long-term business results, while controlling excessive risk-taking. The policy aims to enable sustainable growth and improvement of medium- to long-term enterprise value, while realizing steady profit growth, creating stable cash flows, and establishing a rapport with stakeholders.

Upon formulation of the policy for determining remuneration by the Human Resources Department, the Board of Directors determines the remuneration for Board Directors through the advice of the Remuneration Committee, which comprises the President and Representative Director and External Board Directors.

Remuneration for External Board Directors, who are independent of business execution, Audit & Supervisory Board Members, who audit the business execution of Board Directors, and External Audit

& Supervisory Board Members consists solely of fixed remuneration. Further, according to the Group's remuneration policy, remuneration for Board Directors who concurrently serve as officers of Group companies is to be provided mainly by the Company while remuneration for Board Directors of subsidiaries and Kentaro Kawabe is to be excluded from payment.

To provide incentives for enhancing the Company's short-term performance and medium- to long-term corporate value, the remuneration, etc., of Board Directors consists of various types of compensation including basic remuneration and performance-based remuneration, in addition to fixed remuneration.

## Policy for Determining Ratio of Payments

The basic policy for the ratio of payment of basic remuneration to performance-based remuneration shall be "basic remuneration: performance-based remuneration = 1 : 2.3-3.2" in principle. The performance-based remuneration is allowed to fluctuate within the range of 0-1.5 times the base amount by position. The performance-based remuneration comprises cash payment and share-based payment, and the ratio of payment has been determined to be "cash payments : share-based payments = 1 : 1."

**Performance-based Remuneration Indicators**

The Company has adopted net income attributable to owners of the parent and operating income (consolidated basis) as its performance-based remuneration indicators for the achievement of performance targets.

Each performance-based component fluctuates at a rate of 0 to 1.5 times (target of 1.0) according to the level of achievement of performance indicator targets, etc. A coefficient is calculated for the level of achievement of performance targets based on 50% of each ratio established according to the level of achievement of performance indicator targets. Moreover, under special circumstances such as large scandals and accidents, losses and other extraordinary factors, and other management indicators (FCF, etc.), the coefficient is determined through the advice of the remuneration committee.

Performance target achievement coefficient = Net income attributable to owners of the parent\*1 x 50% + Operating income\*2 x 50%

\*1 Based on a comparison between the actual and target values, net income attributable to owners of the parent is set at 100% if the actual value is at the same level as its target value.

\*2 Based on a comparison between the actual and target values, operating income is set at 100% if the actual value is at the same level as its target value.

Moreover, net income attributable to owners of the parent acts as a source of dividends to the stakeholders. Accordingly, it was selected as a performance-based indicator coefficient to facilitate

constructive dialogue with the stakeholders and enhance awareness of Board Directors regarding improvements to the Company's medium to long term corporate value.

Meanwhile, operating income was selected as a performance-based indicator coefficient as it appropriately reflects the profits generated by the main business of the Group overall.

**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 | Subtotals for each type of remuneration |                                |                     |       | Number of recipients |
|--|--------------------|---|--------------------------------|---------------------|-------|----------------------|
|  |                    | Basic remuneration                      | Performance-based remuneration |                     | Other |                      |
|  |                    |   | Cash payment                   | Share-based payment |       |                      |
| Directors (excluding external directors)   | 1,769              | 426                                     | 998                            | –                   | 345   | 6                    |
| Audit & Supervisory Board Members (excluding external Audit & Supervisory Board Members) | 12                 | 12                                      | –                              | –                   | –     | 1                    |
| External directors   | 36                 | 36                                      | –                              | –                   | –     | 4                    |
| External Audit & Supervisory Board Members   | 13                 | 13                                      | –                              | –                   | –     | 2                    |

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

(Millions of yen)

| Name              | Total consolidated remuneration | Title    | Subtotals for each type of remuneration |                                |                     |       |
|-------------------|---------------------------------|----------|---|--------------------------------|---------------------|-------|
|                   |                                 |          | Basic remuneration                      | Performance-based remuneration |                     | Other |
|                   |                                 |          |   | Cash payment                   | Share-based payment |       |
| Ken Miyauchi      | 524                             | Director | 120                                     | 315                            | –                   | 89    |
| Jun Shimba        | 308                             | Director | 84                                      | 179                            | –                   | 45    |
| Yasuyuki Imai     | 308                             | Director | 84                                      | 179                            | –                   | 45    |
| Junichi Miyakawa  | 302                             | Director | 78                                      | 179                            | –                   | 45    |
| Kazuhiko Fujihara | 239                             | Director | 60                                      | 146                            | –                   | 33    |

Note: Only directors whose total consolidated remuneration and other compensation is ¥100 million or more.

**Decision-making Process for Amount of Remuneration, etc.**

| Committee              | Date of meeting   | Participants   | Content   |
|------------------------|-------------------|--|---|
| Remuneration committee | January 21, 2019  | Atsushi Horiba (chairman)<br>Takehiro Kamigama<br>Kazuaki Oki<br>Kyoko Uemura<br>Ken Miyauchi<br>(participated by all members) | • Discussion on director remuneration calculation program   |
| Remuneration committee | February 18, 2019 | Atsushi Horiba (chairman)<br>Takehiro Kamigama<br>Kazuaki Oki<br>Kyoko Uemura<br>Ken Miyauchi<br>(participated by all members) | • Discussion on director remuneration calculation program<br>• Confirmation of disclosure policy  |
| Remuneration committee | April 22, 2019    | Atsushi Horiba (chairman)<br>Takehiro Kamigama<br>Kazuaki Oki<br>Kyoko Uemura<br>Ken Miyauchi<br>(participated by all members) | • Confirmation of remuneration amounts for Board Directors and Audit & Supervisory Board Members<br>• Confirmation of disclosure forms  |
| Board of Directors     | May 27, 2019      | Board Directors and Audit & Supervisory Board Members<br>(participated by all members)   | • Confirmation and determination of proposals by the remuneration committee<br>• Determination of director remuneration calculation program<br>• Approval of remuneration amounts for Board Directors and Audit & Supervisory Board Members |

**Shareholding Policy****Standard and Policy for Classifying Investment Shares Held for Pure Investment Purposes and Investment Shares Held for Reasons Other Than Pure Investment Purposes**

Investment shares held for the purposes of earning profits through changes in the values of shares and share-related dividends are classified as "investment shares held for pure investment purposes." Meanwhile, the Company classifies investment shares held for reasons other than pure investment purposes as "cross-shareholdings" and adheres to the following shareholding policy for the acquisition and ownership of such shares.

**Investment Shares Held for Reasons Other Than Pure Investment Purposes (Excluding unlisted shares)**

(a) Shareholding policy and approach for verifying appropriateness of shareholdings

**Shareholding Policy**

The objectives of cross-shareholdings are to provide benefits to the Company by ensuring competitive advantages in business development and business operations, creating synergies, securing human resources and technologies, and realizing cost reductions. The objectives of cross-shareholdings are verified on an annual basis, and in the case of diminishing returns on such objectives, the Company will consider the sale of shares and manage the shareholdings appropriately.

**Approach for Verifying Appropriateness of Shareholdings**

The Company verifies the appropriateness of shareholdings by examining whether or not it is realizing the benefits anticipated at the time of investment such as the continuance of transactions with the issuer of cross-shareholdings. Regarding investments in new businesses, the progress of each business is examined in terms of the benefits of the investments.

(b) Regarding the appropriateness of each investment, an examination of its details conducted at the Board of Director's meeting during the year under review verified diminishing returns on seven investments related to cross-shareholdings and upon comprehensive examination of their results, the Company decided to sell the shares as the diminishing returns were due to the lack of achievement of shareholding objectives, and therefore there is no reason to continue holding the shares going forward. The details of these examinations will be reported at the Board of Director's meeting.

## Cooperation among Audit &amp; Supervisory Board Members, the Independent Auditor and the Internal Audit Department

**Cooperation between the Audit & Supervisory Board Members and the Independent Auditor**

The Audit & Supervisory Board Members receive briefings from the Independent Auditor (Deloitte Touche Tohmatsu LLC) on the audit policy and audit plan, and exchange opinions. In addition to receiving reports on the main items to be audited and the method and results of the audit, regarding the audit during and at the end of the fiscal year (including the quarterly review), Audit & Supervisory Board Members cooperate with the Independent Auditor mainly by accompanying the Independent Auditor at the on-site audit and witnessing the audit.

**Cooperation between the Audit & Supervisory Board Members and the Internal Audit Department**

The Audit & Supervisory Board Members regularly provide opportunities to exchange information with the Company's Internal Audit Department and Internal Control Division, cooperating organically with them including requesting them to conduct an investigation as necessary.

In particular, the Audit & Supervisory Board Members confirm the progress of the internal audit plan and exchange opinions with the Internal Audit Department every month such as by holding regular meetings attended by full-time Audit & Supervisory Board Members. In addition, the general manager of the Internal Audit Department reports the internal audit plan and results, among other matters, to the Audit & Supervisory Board Members semi-annually. Regarding the report of audit results to representative directors, materials are shared each time.

**Cooperation between the Independent Auditor and the Internal Audit Department**

The Independent Auditor receives briefings from the Internal Audit Department on the audit plan and, when necessary, on the results of internal audits and other matters. The Internal Audit Department receives regular briefings from the Independent Auditor regarding audit results and other matters. Moreover, both parties cooperate with each other as necessary by exchanging information and opinions, among other measures.

**Status of Internal Audits and Audits by the Audit & Supervisory Board**

The Internal Audit Department conducts 28 internal audits of the overall duties of the Company as an organization directly under the CEO, and also conducts audits of subsidiaries as a parent company. The Internal Audit Department mainly evaluates business compliance

with laws and regulations and effectiveness of internal control, 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 Company has adopted a corporate officer system whereby the Audit & Supervisory Board Members conduct audit activities in compliance with the audit policy and audit plan formulated by the Audit & Supervisory Board, which comprises four members including two External Audit & Supervisory Board Members. The Audit & Supervisory Board conducts efficient and effective audits on the status of execution of duties by the Board Directors through attendance at important meetings, conducting hearings, examination of important documents, field studies, etc. Further, in addition to receiving briefings from the Internal Audit Department, the Company receives explanations of the status and results of internal audits as necessary. Meanwhile, the Independent Auditor strives to strengthen the Company's audit structure by verifying, from an independent perspective, whether or not audits are being conducted appropriately. The Independent Auditor also receives briefings on the status of execution of such duties and, when necessary, requests explanations on the audits and conducts other measures to strengthen the audit structure.

**Status of Audits by the Independent Auditor**

The Audit & Supervisory Board has selected Deloitte Touche Tohmatsu LLC as its independent auditor. Deloitte Touche Tohmatsu LLC was selected after a comprehensive evaluation of its quality management, audit structure, independence and expertise, etc., which are necessary for conducting appropriate audits, that satisfied the standards for appropriately evaluating auditor candidates set by the Audit & Supervisory Board according to the Audit & Supervisory Board Regulations, through receiving the necessary materials from the Board Directors and related divisions within the Company as well as briefings.

**Details of Remuneration for Certified Public Accountants, etc.**

(Millions of yen)

| Classification            | Fiscal year ended March 31, 2018            |                                   | Fiscal year ended March 31, 2019            |                                   |
|---------------------------|---|-----------------------------------|---|-----------------------------------|
|                           | Remuneration for audit certification duties | Remuneration for non-audit duties | Remuneration for audit certification duties | Remuneration for non-audit duties |
| SoftBank Group            | 468   | 68                                | 526   | 89                                |
| Consolidated subsidiaries | 124   | —                                 | 279   | 3                                 |
| Total                     | 592   | 68                                | 805   | 92                                |

**Board Directors / Independent Officers**

(As of June 24, 2019)

**Masayoshi Son**

Chairman

1981 Founded SOFTBANK Corp. (currently SoftBank Group Corp.), Chairman & CEO  
 1996 President & CEO, Yahoo Japan Corporation  
 2006 Chairman of the Board, President & CEO, Vodafone K.K. (currently the Company)  
 2007 President & CEO, the Company  
 2015 Chairman, the Company  
 2015 Director, Yahoo Japan Corporation (to present)  
 2016 Manager, SoftBank Group International GK (currently SoftBank Group Japan Corporation)  
 2017 Chairman & CEO, SoftBank Group Corp. (to present)  
 2018 Chairman, the Company (to present)  
 2018 Representative Director, SoftBank Group Japan Corporation (to present)

**Ken Miyauchi**

President &amp; CEO

1977 Joined Japan Management Association  
 1984 Joined SOFTBANK Corp. (currently SoftBank Group Corp.)  
 1988 Director, SOFTBANK Corp.  
 2003 Director & Vice President, SOFTBANK BB Corp. (currently the Company)  
 2006 Executive Vice President, Director & COO, Vodafone K.K. (currently the Company)  
 2007 Director, Representative Vice President & COO, the Company  
 2007 Representative Director & COO, the Company  
 2012 Director, Yahoo Japan Corporation (to present)  
 2013 Representative Director, Senior Executive Vice President of SOFTBANK Corp. (currently SoftBank Group Corp.)  
 2014 Representative Director, Chairman of SoftBank Commerce & Service Corp. (currently SB C&S Corp.)  
 2015 President & CEO, the Company  
 2018 Director, SoftBank Group Corp. (to present)  
 2018 Representative Director, President & CEO, the Company  
 2018 President & CEO, the Company (to present)

**Jun Shimba**

Representative Director &amp; COO

1985 Joined SOFTBANK Corp. (currently SoftBank Group Corp.)  
 2005 Director, SOFTBANK BB Corp. (currently the Company)  
 2006 Managing Executive Officer, Vodafone K.K. (currently the Company)  
 2007 Director & Managing Executive Officer, SOFTBANK BB Corp. (currently 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. (currently SB Payment Service Corp.) (to present)  
 2018 Representative Director & COO, In Charge of Government Relations, the Company (to present)

**Yasuyuki Imai**

Representative Director &amp; COO

1982 Joined Kajima Corporation  
 2000 Joined SOFTBANK Corp. (currently 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 (to present)

Note: Yahoo Japan Corporation changed its trade name to Z Holdings Corporation on October 1, 2019.



## Board Directors / Independent Officers

**Junichi Miyakawa**

Representative Director &amp; CTO

- 1991 Representative Director & President, KK Momotaro Internet
- 2000 Representative Director & President, Nagoya Metallic Communications Corp. (currently the Company)
- 2002 Representative Director & President, Tokyo Metallic Communications Corp. (currently the Company)
- 2002 Representative Director & President, Osaka Metallic Communications Corp. (currently the Company)
- 2002 Representative Director & President, DTH Marketing Corp. (currently the Company)
- 2003 Director, SOFTBANK BB Corp. (currently the Company)
- 2006 Director & Executive Vice President (CTO), Vodafone K.K. (currently 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 (to present)

**Kazuhiko Fujihara**

Board Director, Executive Vice President &amp; CFO

- 1982 Joined Toyo Kogyo Co., Ltd. (currently Mazda Motor Corporation)
- 2001 Joined SOFTBANK Corp. (currently SoftBank Group Corp.)
- 2001 General Manager of Group Management Group, SOFTBANK Corp.
- 2003 Manager, Management Planning Dept., SOFTBANK BB Corp. (currently the Company)
- 2004 Director & CFO, SOFTBANK BB Corp.
- 2006 Managing Executive Officer (CFO), Vodafone K.K. (currently 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. (currently SoftBank Group Corp.)
- 2015 Director, Executive Vice President & CFO, the Company
- 2015 Director, Yahoo Japan 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, Finance Unit Head, the Company (to present)
- 2019 Director, Z Holdings Corporation (to present)

**Atsushi Horiba**External Director  
Independent Officer

- 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. (currently HORIBA STEC, Co., Ltd.)
- 2005 Chairman, Representative Director & President, HORIBA, Ltd.
- 2016 Chairman & Representative Director, HORIBA STEC, Co., Ltd. (to present)
- 2018 Chairman, Representative Director & Group CEO, HORIBA, Ltd. (to present)
- 2018 External Director, the Company (to present)

**Takehiro Kamigama**External Director  
Independent Officer

- 1981 Joined Tokyo Denki Kagaku Kogyo K.K. (currently 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 (to present)
- 2018 External Director, Yamaha Motor Co., Ltd. (to present)
- 2018 External Director, the Company (to present)
- 2018 Mission Executive, TDK Corporation (to present)

**Kentaro Kawabe**

Board Director

- 1996 Director, Dennotai Corporation
- 1999 CEO, Dennotai Corporation
- 1999 Director, PIM Corporation
- 2000 Joined Yahoo Japan 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 (to present)

**Kazuaki Oki**External Director  
Independent Officer

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

**Kyoko Uemura**External Director  
Independent Officer

- 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
- 2017 External Auditor, MS&AD Insurance Group Holdings, Inc. (to present)
- 2018 External Director, the Company (to present)
- 2018 Lawyer, Miyama, Koganemaru & Associates (to present)



**Eiji Shimagami**

Full-time Audit & Supervisory Board Member

- 1982 Joined Nissan Motor Co., Ltd.
- 2000 Joined Japan Telecom Co., Ltd. (currently the Company)
- 2001 Joined J-Phone Communications Co., Ltd. (currently the Company)
- 2003 Manager, Human Resources & Planning Department, J-Phone Communications Co., Ltd.
- 2007 Manager, General Administration Department, SoftBank Corp. (currently SoftBank Group Corp.)
- 2008 Corporate Officer, Human Resources & General Affairs Unit, General Affairs Division Head, the Company
- 2011 President, SoftBank Atwork Corp. (currently 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. (to present)
- 2018 Audit & Supervisory Board Member, Bloom Energy Japan Limited (to present)
- 2019 Advisor, the Company
- 2019 Full-time Audit & Supervisory Board Member (to present)



**Yasuharu Yamada**

Full-time Audit & Supervisory Board Member  
Independent Officer

- 1980 Joined Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)
- 1999 Advisor, Global Planning Division, Fuji Bank, Ltd.
- 2000 Seconded to Fuji Investment Management Co., Ltd. (currently Asset Management One Co., Ltd.)
- 2009 Retired from Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
- 2010 Corporate Officer, Legal and Compliance Division Head and Information Management Officer, Mizuho Asset Management Co., Ltd. (currently 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 (to present)



**Kazuko Kimiwada**

Audit & Supervisory Board Member

- 1982 Passed the secondary examination for Certified Public Accountant
- 1983 Joined Deloitte Haskins & Sells LLC (currently Deloitte Touche Tohmatsu LLC)
- 1986 Passed the tertiary examination for Certified Public Accountant; registered as Certified Public Accountant
- 1995 Joined Mallinckrodt Medical, Inc.
- 1996 Joined SOFTBANK Corp. (currently 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 (to present)
- 2016 Corporate Officer, Head of Accounting Unit, SoftBank Group Corp.
- 2017 Executive Corporate Officer, Head of Accounting Unit, SoftBank Group Corp. (to present)
- 2018 Director, Audit & Supervisory Committee Member, Yahoo Japan Corporation



**Kenichiro Abe**

External Audit & Supervisory Board Member  
Independent Officer

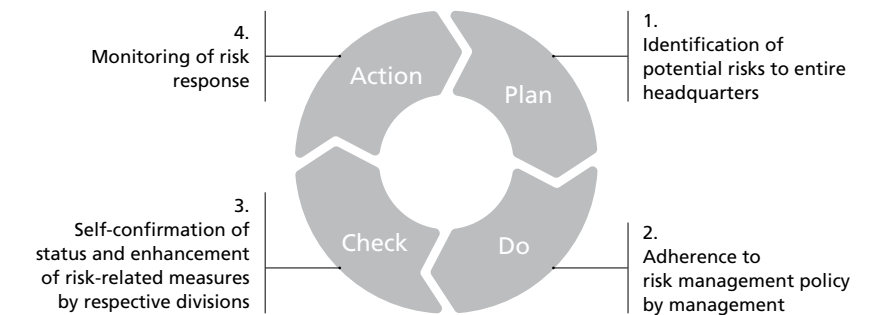
- 1980 Joined PricewaterhouseCoopers Japan LLC
- 2002 Representative Partner, ChuoAoyama Audit Corp.
- 2006 Representative Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Aarata LLC)
- 2012 Head of Kenichiro Abe Certified Public Accountant Officer (to present)
- 2012 Full-time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

## Risk Management

SoftBank strives to reduce risks and prevent the occurrence of risk scenarios during normal times and has compiled and documented the Risk Management Regulations, aiming to minimize the potential human, economic, and social impacts (losses) that ensue if a substantial risk does materialize. Furthermore, based on the regulations, responsible departments have been designated to address various risks in order to maintain and improve the level of readiness.

### Basic Framework

SoftBank manages risks based on a PDCA cycle implemented by the Corporate Security Department of the General Administration Division: (1) annual policy and plan development, (2) implementation and training, (3) check and correction, and (4) management review.



### Substantial Risks

SoftBank has identified the following substantial risks that accompany business activities and work on a day-to-day basis to reduce and prevent such risks.

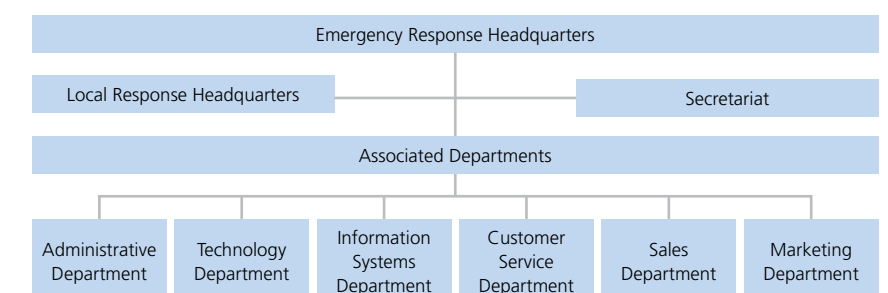
|                                     |   |
|-------------------------------------|---|
| Board of Directors                  |   |
| Risk Management Office              |   |
| Responsible Departments             |   |
| Management risk                     | Information security risk <input type="checkbox"/> P.76 |
| Business strategy risk              | Authorization / regulatory risk                         |
| Management environment risk         | Contract / litigation risk                              |
| Sales / planning / operational risk | Financial risk  |
| Profit hindrance risk               | Accounting / tax risk                                   |
| Product risk                        | Labor / human resources risk                            |
| Communications service risk         | Marketing / IR risk                                     |
| Information system risk             | Country risk  |
| Cloud service risk                  | Disaster / accident / pandemic risk                     |
| Other services risk                 | Other risk  |

### Risk Management Structure

The General Affairs Division's Corporate Security Department oversees the progress of risk evaluation, analysis, and response at each department at SoftBank, which is responsible for telecommunications-related businesses, and regularly reports its findings to the Board of Directors.

### Establishment of Emergency Response Department

In a major disaster, personnel from each company will gather and analyze information on the damage in their areas of responsibility. Based on the impact of the damage, an Emergency Response Department will be established and take action to rapidly restore the telecommunications network.





## Our Four Types of Information Security Measures

