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## Corporate Governance Report

Last Update: June 26, 2020

**SoftBank Corp.**

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<https://www.softbank.jp/en/corp/>

The corporate governance of SoftBank Corp. (the “Company”) is described below.

### I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

#### 1. Basic Views

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

The Group recognizes that it is vital to maintain effective corporate governance in order to realize this vision. The Company continues to strengthen corporate governance within the Group by taking measures such as formulating the SoftBank Charter of Corporate Behavior to share the fundamental concept and corporate philosophy of the Company. The Company also sets out various rules with which group companies and their officers and employees must comply.

The Company’s corporate governance system centers on the board of directors, audit and supervisory board members, and the audit and supervisory board. Four of the 11 directors are external directors to ensure robust mutual monitoring between the directors. The nominating committee, remuneration committee and SDGs promotion committee are established voluntarily as advisory bodies to the board of directors. The nominating committee and remuneration committee comprise the CEO and independent external directors to ensure independence of the committees. Two of the four audit and supervisory board members are external members to ensure independent auditing functions, thereby strengthening the monitoring of management.

#### [Reasons for Non-compliance with the Principles of the Corporate Governance Code]

##### **Supplementary principle 4.1.(2) Efforts to realize the medium- to long-term management plan and response in the event of failure to deliver on the plan**

The Company constantly reviews the entire group’s medium-term business plans based on their progress and market trends and discussions are also held by the board of directors. However, the Company withholds its medium-term business plans from public disclosure based on its view that it is important to maintain flexibility and agility of management in order to promptly respond to changes in the business environment.

The Company intends to give explanations at the earnings results briefings and the General Meeting of Shareholders as necessary.

## **[Disclosure Based on the Principles of the Corporate Governance Code]**

### **Principle 1.4 Cross-shareholdings**

The Company may hold shares under a so-called “cross-shareholdings” structure when it has an important purpose in terms of management strategy other than pure investment purposes, such as anticipating a business alliance or business synergies to sustainably increase enterprise value.

Every quarter the Company verifies that the shares are held according to the purpose, and appropriately disposes of shares for which either the dilution of purpose of holding or the absence of economic rationality, or both, are found, after taking into consideration the share price and market trends.

With regard to whether or not having cross-shareholdings is appropriate, the Company verifies the purpose of holding and economic rationality and reports the results to the board of directors.

The exercise of voting rights related to the shares in these cross-shareholdings is handled appropriately after comprehensively considering whether the proposal will contribute to the sustainable improvement of corporate activities.

### **Principle 1.7 Related party transactions**

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

The Board of Directors Rules stipulate that the board of directors must approve transactions conducted by directors if these may compete or cause conflicts with the Company’s interests. Each transaction is subject to approval by the board of directors and the transaction results are reported to the board of directors. In addition, related party transactions are monitored regularly based on the Related Party Regulations, while the status of transactions is disclosed in the Annual Securities Report and non-consolidated financial statements, and the board of directors oversees conflicts of interest.

### **Principle 2.6 Roles of corporate pension funds as asset owners**

The Company has not joined a specific corporate pension fund but has introduced a defined contribution corporate pension plan. In addition to selecting the operation and administration body and investment products as well as providing educational opportunities to employees, the Company gives an explanation at the time new employees join the Company.

### **Principle 3.1 Full disclosure**

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

(ii) The Company discloses its basic views on and basic guidelines for corporate governance based on the principles of Japan’s Corporate Governance Code in the Corporate Governance Report.

(iii) Directors’ remuneration at the Company is intended to motivate directors to increase enterprise value and grow profits, and to function as consideration for their performances. This remuneration comprises basic remuneration, bonuses, and share-based payments and is deliberated by the remuneration committee within the aggregate amount approved by the General Meeting of Shareholders. The board of directors shall give the greatest possible respect to recommendations made by the remuneration committee, and remuneration shall be determined by a resolution of the board of directors. The remuneration committee deliberates on details regarding the system such as the remuneration determination process, in addition to basic remuneration, bonuses, and share-based payments. Individual remuneration is determined based on individual roles, responsibilities, performances, and other factors, taking the results of operations and management environment into account.

(iv) In electing directors and dismissing director candidates of the Company, recommendations are made to the board of directors following deliberations by the nominating committee. The board of directors gives the greatest possible respect to the recommendations made by the nominating committee and elects director candidates in accordance with the Articles of Incorporation and the Board of Directors Rules, proposing them for election and dismissal at the General Meeting of Shareholders. Criteria for electing director candidates

include qualities and abilities that will contribute to increasing enterprise value and a deep knowledge of the candidate's respective field of specialization.

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

(v) The Company discloses the reasons for the appointment of each of the candidates for director and audit and supervisory board member in the Notice of the General Meeting of Shareholders in which the election of these candidates is proposed.

#### **Supplementary principle 4.1.(1) Determination of scope of delegation to management and disclosure thereof**

The board of directors exists as a decision-making body of the Company, and the agenda items for discussion in the board of directors are set forth in the Articles of Incorporation and the Board of Directors Rules.

In addition, the Company has introduced the executive officer system with the aim of strengthening corporate governance and speeding up decision-making and execution.

At the Company, decision-making authority is delegated to the management by the board of directors with respect to matters deemed necessary in management, and the specific scope of matters to be delegated and decision-making authority according to the job position are stipulated in the Internal Approval Regulations.

#### **Principle 4.9 Independence standards and qualification for independent directors**

The Company elects independent external directors in accordance with the independence criteria set by the Tokyo Stock Exchange. The independent external director candidates to be elected are persons who can contribute to increasing enterprise value through qualifications, ability, and deep knowledge in their fields of expertise. In addition, those who can participate actively in constructive discussion and express their opinions frankly at the board of directors meetings are also elected. Independent external director candidates are elected by a resolution of the board of directors based on discussions at nominating committee meetings.

#### **Supplementary principle 4.11.(1) Views on overall balance of knowledge, etc., diversity, and size of the board of directors**

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.

The Company explains the views regarding the overall composition of the board of directors, and the policy and procedures regarding election, as necessary.

#### **Supplementary principle 4.11.(2) Status of concurrent positions of external directors and external audit and supervisory board members**

The Company's directors and audit and supervisory board members ensure that their concurrent positions at other companies are limited to a small number and take care to see that these positions do not interfere with the performance of their duties.

The Company discloses the main concurrent positions held by each director and audit and supervisory board member in the Notice of the General Meeting of Shareholders.

#### **Supplementary principle 4.11.(3) Analysis and evaluation of the overall effectiveness of the board of directors**

The Company's board of directors conducts an analysis and evaluation of the effectiveness of the board of directors with the support of an independent organization once a year, for the purpose of working on continuously enhancing the effectiveness. This fiscal year's analysis and evaluation took place between January 2020 and February 2020.

Continuing from the previous fiscal year, the board of directors conducted a questionnaire survey and individual interviews this fiscal year for all of the representative directors, external directors and audit and supervisory board members, and evaluated the separation of execution and oversight, group governance, succession planning, risk management oversight, the conduct of the board of directors meetings, and dialogue with stakeholders.

The results thereof show that the Company's board of directors "is effectively functioning overall." In addition, it was confirmed that progress was made on the matters that were identified as needing improvement in the previous fiscal year's evaluation.

Meanwhile, it was confirmed at the board of directors meetings held in March and April 2020 that improvements would continue to be made in ESG and SDGs initiatives that were identified as having room for improvement in the evaluation for this fiscal year. The Company will continue to conduct evaluations of the effectiveness of the board of directors going forward in an effort to enhance effectiveness of the board of directors.

#### **Supplementary principle 4.14.(2)**

The Group conducts the following training for its directors and audit and supervisory board members to enable them to learn important skills and knowledge needed to stay abreast of current developments.

- The Group distributes the Directors' Handbook covering the responsibilities and obligations of directors to the Company's directors and audit and supervisory board members.
- The Group regularly conducts training regarding important topics related to compliance for directors and audit and supervisory board members of the Company and directors of its major domestic subsidiaries.

The Company's full-time audit and supervisory board members also actively participate in seminars and training sessions held by Public Interest Incorporated Association Japan Audit & Supervisory Board Members Association, as well as meetings to exchange information with audit and supervisory board members of listed companies.

#### **Principle 5.1 Policy for constructive dialogue with shareholders**

The Company works to promote constructive dialogue with shareholders and other investors by assigning IR duties to Director, Executive Vice President & CFO and has established the Investor Relations Department as the responsible department. The department conducts IR activities in close coordination with related departments such as Accounting, Finance, Legal, and General Administration. The Company discloses this structure on its website and in its Corporate Governance Report.

The management and the Investor Relations Department respond to requests for dialogue from shareholders and other investors within reason, paying careful attention to the handling of material facts subject to insider trading regulations.

In addition to individual discussions, the Company holds earnings results briefings and briefings for retail investors to explain the status of its businesses to shareholders and other investors. The Investor Relations Department compiles the opinions received from shareholders and other investors through dialogue and periodically reports them to management.

## **2. Capital Structure**

Foreign Shareholding Ratio	Less than 10%
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#### **[Status of Major Shareholders]**

Name / Company Name	Number of Shares Owned	Percentage (%)
SoftBank Group Japan Corporation	3,182,919,470	67.13
The Master Trust Bank of Japan, Ltd. (Trust Account)	106,869,900	2.25
Japan Trustee Services Bank, Ltd. (Trust Account)	73,229,600	1.54
Japan Trustee Services Bank, Ltd. (Trust Account 5)	36,338,200	0.77
STATE STREET BANK WEST CLIENT-TREATY 505234	27,121,800	0.57
STATE STREET BANK AND TRUST COMPANY 505103	24,130,055	0.51
Japan Trustee Services Bank, Ltd. (Trust Account 1)	18,621,300	0.39

Japan Trustee Services Bank, Ltd. (Trust Account 2)	16,909,600	0.36
Japan Trustee Services Bank, Ltd. (Trust Account 6)	14,606,000	0.31
Japan Trustee Services Bank, Ltd. (Trust Account 9)	14,480,400	0.31

Controlling Shareholder (except for Parent Company)	—
Parent Company	SoftBank Group Corp.
Listed Stock Market	Tokyo Stock Exchange

#### Supplementary Explanation

- SBG owns 100% of the shares of SoftBank Group Japan Corporation.
- Although the Company holds 46,000,000 shares of treasury stock as of March 31, 2020, it is excluded from the list of principal shareholders presented above.

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, First Section
Fiscal Year-End	March
Type of Business	Information & Communication
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

The Company recognizes that related party transactions including transactions with the parent company group are transactions that may have an impact on the financial position or the results of operations by using the advantageous position of the related party. As such, in implementing related party transactions, the Company carries out especially important transactions upon approval of the board of directors each time, by paying particular attention to whether such transactions are rational from a managerial standpoint of the Group and whether the terms and conditions of the transactions are appropriate compared to external transactions, in accordance with the Related Party Regulations and Related Party Transactions Management Manual.

Even with regard to related party transactions that do not fall under especially important transactions, the Finance and Accounting Division monitors the aggregate amount and details of such transactions once a year in principle.

In addition, the Board of Directors Rules stipulate that the board of directors must approve transactions conducted by directors if these may compete or cause conflicts with the Company's interests. Each transaction is subject to approval by the board of directors and the transaction results are reported to the board of directors.

### 5. Other Special Circumstances Which May Have Material Impact on Corporate Governance

### **Parent companies of the Company**

#### **(1) Relationship with the parent companies**

SoftBank Group Corp., which is a parent company of the Company, holds 67.13% of the voting rights of the Company (as of March 31, 2020) through its subsidiary SoftBank Group Japan Corporation. Two of 11 directors and one of four audit and supervisory board members of the Company concurrently serve as directors and a managing executive officer of SoftBank Group Corp., respectively.

#### **(2) Views and policy of the parent companies on group management**

Please refer to the Corporate Governance Report of SoftBank Group Corp. for the views and policy of the company on group management.

Among investees of SoftBank Group Corp. and its subsidiaries (the “SoftBank Group”), the Company collaborates with companies that possess cutting-edge technologies and companies that provide solutions to expand new businesses, and enjoys the benefits of belonging to the SoftBank Group.

#### **(3) Measures to ensure independence from the parent companies**

The Company took measures to ensure independence from the parent companies, such as the removal of matters to be resolved by and matters to be reported to the parent companies in advance, the reduction of personnel relationships such as concurrent positions of officers and employees, and the elimination of borrowings and debt guarantees from the parent companies, in preparation for listing in December 2018. In addition, the Company has appointed four independent external directors and two independent external audit and supervisory board members in accordance with the independence standards established by the Tokyo Stock Exchange.

As a result, the Company has been able to establish systems that enable independent business operation through minimized involvement of the parent companies.

### **Listed subsidiaries of the Company**

#### **(1) Views and policy of the Company on group management**

The Company has several listed subsidiaries that are engaged in a variety of businesses in the information and technology fields under the shared corporate philosophy of “Information Revolution — Happiness for everyone.” While valuing and ensuring the independence of its subsidiaries, the Company aims to create synergies and continue to evolve and grow together with them, with a view to maximizing the enterprise value of the Group.

#### **(2) Measures to ensure the effectiveness of the corporate governance systems of listed subsidiaries**

The Company has established the Subsidiaries and Affiliates Management Regulations for the purpose of managing the companies in which the Company invests, and requires prior approval of or reporting to the Company regarding important decision-making at subsidiaries. With respect to listed subsidiaries, from the perspective of their independence, the Company limits the items that require such prior approval only to the conclusion of contracts that include clauses that are binding on (including non-compete clauses) non-contracting parties, such as SoftBank Group Corp. and its subsidiaries and affiliates, so that the Company will not unfairly constrain their decision-making.

In addition to the above, each subsidiary, before using the SoftBank brand, asks for prior approval of the Company and enters into an agreement that stipulates conditions of use and other compliance issues. The purpose of this is to maintain and improve the brand image, and it does not unfairly constrain the decision-making of each subsidiary.

#### **(3) Significance of having listed subsidiaries**

The Company believes that it is desirable for each listed subsidiary to conduct its business while receiving recognition in the stock market and to carry out autonomous management that takes into account the interests of minority shareholders, which will contribute to the growth of each subsidiary. At this time, the Company deems that it is desirable for each listed subsidiary to remain listed.

\* For more information on the listed subsidiaries of Z Holdings Corporation, please refer to the Corporate Governance Report of Z Holdings Corporation.

#### **• Z Holdings Corporation**

Z Holdings Corporation is a holding company whose subsidiaries include Yahoo Japan Corporation, one of the largest Internet service providers in Japan, and became a consolidated subsidiary of the Company in June 2019.

The Company believes that maintaining the independence and autonomy of Z Holdings Corporation as a listed company, while it collaborates as a member of the Group in various business fields including non-

telecommunications business, optimally allocating management resources based on an integrated strategy, and maximizing synergies, will contribute to improving the enterprise value of the Group as a whole.

- SB Technology Corp.

SB Technology Corp. is the core ICT services company of the Group. The Company believes that maintaining the independence and autonomy of SB Technology Corp. as a listed company, while it effectively uses its management resources such as the SoftBank brand and collaborates with other companies in the Group as a member of the Group, will contribute to improving the enterprise value of the Group as a whole.

- ITmedia Inc.

ITmedia Inc. specializes in media management that provides IT-related information on the Internet. The Company believes that maintaining the independence and autonomy of ITmedia Inc. as a listed company and a media company, while it collaborates with other companies in the Group as a member of the Group, will contribute to improving the enterprise value of the Group as a whole.

- Vector Inc.

Vector Inc. is mainly engaged in the App Pass business (started the contracted operation of the Company's App Pass service in January 2019), the software sales business, and the site advertisement sales business. The Company believes that maintaining the independence and autonomy of Vector Inc. as a listed company, while it collaborates with other companies in the Group as a member of the Group, will contribute to improving the enterprise value of the Group as a whole.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with audit and supervisory board members
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#### [Directors]

Maximum Number of Directors Stipulated in the Articles of Incorporation	15
Term of Office of Directors stipulated in the Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	11
Appointment of External Directors	Appointed
Number of External Directors	4
Number of Independent Directors	4

#### External Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Atsushi Horiba	From another company								○			
Takehiro Kamigama	From another company								△			

Kazuaki Oki	CPA												
Kyoko Uemura	Lawyer												

\* Categories for “Relationship with the Company”

\* “○” when the director presently falls or has recently fallen under the category, and “△” when the director fell under the category in the past

\* “●” when a close relative of the director presently falls or has recently fallen under the category, and “▲” when a close relative of the director fell under the category in the past

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

#### External Directors’ Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Atsushi Horiba	○	Although the Company has business relationships, such as service outsourcing, with HORIBA, Ltd., where Mr. Atsushi Horiba serves as Representative Director, the amount of transactions accounts for less than 0.1% of the Company’s operating expenses; therefore it does not raise any issues regarding his independence.	Having served as Representative Director of HORIBA, Ltd. for approximately 28 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 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.
Takehiro Kamigama	○	Although the Company has concluded a secondment agreement, etc. with TDK Corporation, where Mr. Takehiro Kamigama serves as Mission Executive, the amount of transactions accounts	Having served as Representative Director of TDK Corporation for 12 years from 2006, Mr. Kamigama has a wealth of management experience to demonstrate leadership in enhancing profitability of TDK’s business and expanding business fields. He is elected as external director to have him supervise the Company’s management

		for less than 0.1% of the Company's operating expenses. Although the Company also has a business relationship regarding the establishment of a base station, etc., with Yamaha Motor Co., Ltd., where Mr. Kamigama also serves as an External Director, the amount of transactions accounts for less than 0.1% of the Company's operating expenses; therefore it does not raise any issues regarding his independence.	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.
Kazuaki Oki	○	—	Mr. Oki has extensive knowledge and experience as a certified public accountant. He is elected as 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.
Kyoko Uemura	○	—	Ms. Uemura has extensive knowledge and experience as a lawyer. She is elected as 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.

**[Voluntary Establishment of Committee(s)]**

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Status of Establishment of Voluntary Committee, Composition of Committee and Attributes of Committee  
Chair (Chairperson)

	Voluntary committee corresponding to a nominating committee	Voluntary committee corresponding to a remuneration committee
Name of committee	Nominating committee	Remuneration committee
Total number of members	5	5

Number of full-time members	0	0
Number of internal directors	1	1
Number of external directors	4	4
Number of internal experts	0	0
Number of other members	0	0
Committee chair (chairperson)	External director	External director

#### Supplementary Explanation

The voluntary nominating committee and remuneration committee are comprised of the CEO and independent external directors, deliberate on matters regarding the election and dismissal of directors, the nomination of representative directors, and remuneration of directors, and make recommendations to the board of directors. The board of directors treats the recommendations from these committees as matters to be discussed at the board of directors meetings while giving the greatest possible respect to such recommendations.

#### [Audit and Supervisory Board]

Establishment of Audit and Supervisory Board	Established
Maximum Number of Audit and Supervisory Board Members Stipulated in the Articles of Incorporation	6
Number of Audit and Supervisory Board Members	4

#### Cooperation among Audit and Supervisory Board Members, Independent Auditors and Internal Audit Departments

##### **Cooperation between the audit and supervisory board members and the independent auditor**

The audit and 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 audit, regarding the audit during and at the end of the fiscal year (including quarterly review), audit and supervisory board members cooperate with the independent auditor mainly by accompanying the independent auditor on the on-site audit and witnessing the audit.

##### **Cooperation between the audit and supervisory board members and the Internal Audit Department**

The audit and 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 and 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 and 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 and 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.

Appointment of External Audit and Supervisory Board Members	Appointed
Number of External Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

#### External Audit and Supervisory Board Member's Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	G	h	i	j	k	l	m
Yasuharu Yamada	From another company													
Kenichiro Abe	CPA													

\* Categories for "Relationship with the Company"

\* "○" when the audit and supervisory board member presently falls or has recently fallen under the category, and "△" when the audit and supervisory board member fell under the category in the past

\* "●" when a close relative of the audit and supervisory board member presently falls or has recently fallen under the category, and "▲" when a close relative of the audit and supervisory board member fell under the category in the past

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

#### External Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Yasuharu Yamada	○	—	Mr. Yamada has extensive knowledge and experience relating to risk management and compliance at

			financial institutions as well as considerable expertise of finance and accounting. The Company designated him as an external audit and supervisory board member to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits.
Kenichiro Abe	○	—	Mr. Abe has extensive knowledge and experience as a CPA. The Company designated him as an external audit and supervisory board member to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits.

#### [Independent Directors/Audit and Supervisory Board Members]

Number of Independent Directors/Audit and Supervisory Board Members	6
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Other Matters Relating to Independent Directors/Audit and Supervisory Board Members

None

#### [Incentives]

Incentive Policies for Directors	Stock options plan / performance-based remuneration plan
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Supplementary Explanation

The Company and the Group have allotted stock acquisition rights to be used as stock options for officers and employees, in order to provide them incentives to improve business results.

In June 2020, the Company will introduce a new plan to grant restricted stock as part of performance-based remuneration, while abolishing remuneration in the form of stock options, in order to incentivize certain directors and executive officers to sustainably increase the enterprise value of the Company and promote further sharing of value with shareholders.

Recipients of Stock Options	Internal directors / employees / subsidiaries' directors / subsidiaries' employees
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Supplementary Explanation

The Company and the Group have allotted stock acquisition rights to be used as stock options for directors, executive officers, and other employees of the Company, as well as directors, executive officers and other employees of subsidiaries of the Company. The stock option plan is aimed at providing incentives for participants to increase the performance of the Company and its subsidiaries and maximizing shareholder value.

In addition, the Company pays a portion of performance-based remuneration in the form of restricted stock to certain internal directors and executive officers of the Company who play a key role in enhancing the performance and enterprise value of the Company and the Group.

**[Director Remuneration]**

Disclosure of Individual Directors' Remuneration	Selected directors
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Supplementary Explanation

<Total remuneration for directors and audit and supervisory board members with subtotals for each type of remuneration and numbers of recipients (FY2019)>

Title	Total remuneration (¥ millions)	Subtotals for each type of remuneration (¥ millions)				Number of recipients
		Basic remuneration	Performance-based remuneration (Note 1)		Other (Note 3)	
			Cash payment	Share-based payment (Note 2)		
Directors (excluding external directors)	2,034	432	628	628	345	6
Audit and supervisory board members (Note 4) (excluding external Audit and Supervisory Board members)	14	14	-	-	-	2
External directors	48	48	-	-	-	4
External audit and supervisory Board members	16	16	-	-	-	2

Notes:

1. Performance-based remuneration comprises cash payment and share-based payment.
2. Share-based payment is made in the form of restricted stock, which was introduced at the 34th Annual General Meeting of Shareholders held on June 24, 2020. The restricted stock is scheduled to be granted on July 20, 2020, and will be accounted for (recorded as expense) in FY2020.
3. The Other category presents amounts of stock options, which is accounted for (recorded as expense) in FY2019. The amounts differ from those actually obtained through exercise of rights and sale. In accordance with the terms of right exercise, the start date for right exercise has yet to come as of the end of FY2019.
4. Audit and supervisory board members include one audit and supervisory board member who retired during FY2019.

<Total remuneration and other compensation paid to respective directors (FY2019)>							
Name	Total consolidated remuneration (¥ millions)	Title	Company name	Subtotals for each type of remuneration (¥ millions)			
				Basic remuneration	Performance-based remuneration		Other
					Cash payment	Share-based payment	
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	-

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

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The remuneration for directors and audit and supervisory board members at the Company is to determine such remuneration by confirming that it is at an appropriate level compared to remuneration for domestic company managers roughly of the same or larger business scale based on the 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. 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."

As for external directors, who are independent from the execution of duties, audit and supervisory board members and external audit and supervisory board members, who audit the execution of duties by directors, the policy is to pay them only basic remuneration.

**[Supporting System for External Directors and/or External Audit and Supervisory Board Members]**

The Company seeks to ensure that all officers, including the external audit and 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 and supervisory board office has been established to support the duties of all the audit and supervisory board members, including the external members. The office comprises dedicated personnel who act under the directions of the audit and supervisory board members to gather information, investigate matters, and give other assistance.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

As of the date of submission of this document, an overview of the Company's institutional establishment is as follows.

- 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.

<External directors' attendance at board of directors meeting>

Atsushi Horiba: Attended 14 out of 14 board of directors meetings held in FY2019 (attendance rate of 100%)

Takehiro Kamigama: Attended 14 out of 14 board of directors meetings held in FY2019 (attendance rate of 100%)

Kazuaki Oki: Attended 14 out of 14 board of directors meetings held in FY2019 (attendance rate of 100%)

Kyoko Uemura: Attended 14 out of 14 board of directors meetings held in FY2019 (attendance rate of 100%)

Note: The number of board of directors meetings by written resolution is excluded.

- The nominating committee, the remuneration committee and the SDGs promotion committee are established voluntarily as advisory bodies to the board of directors. The nominating committee and the remuneration committee comprise the CEO and independent external directors to ensure independence of the committees. The SDGs promotion committee is headed by the representative director, president & CEO, who is the officer ultimately in charge of SDGs promotion. In addition, the risk management committee is established as an internal committee.

- The audit and supervisory board consists of four members, two of whom are external members.

In addition, the Company has introduced the executive officer system to clarify the management supervisory function and further strengthen the business execution function of the board of directors while ensuring speedier management.

- The Company has concluded a contract with directors (excluding executive directors) and audit and supervisory board members to limit liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with Paragraph 1, Article 427 of the Companies Act. The maximum amount of liability for damages is the minimum amount of liability for damages stipulated by relevant laws and regulations.

<Overview of the implementation status of the system to ensure the appropriateness of the operations>

### 1. Matters concerning compliance

The Company continues to conduct compliance training for its directors and employees, as well as offering information and giving advice, and so forth, as necessary, for enhancing the compliance system. In addition, the Company works to ensure the effectiveness of compliance of the Company by establishing and operating hotlines so that directors and employees of the Company and its subsidiaries can report and consult directly. The effects of these measures are reviewed to make improvements, as necessary.

### 2. Matters concerning risk

Based on the Risk Management Regulations, the risk management department summarizes the status of risk evaluation, analysis and response at each unit, and regularly reports its findings to the risk management committee consisting of directors. The risk management committee determines the degree of importance and

owners of the risks, and confirms and promotes measures developed and taken by the risk owners, thereby reducing risks and preventing the occurrence of risk events. The risk management committee then regularly reports its findings to the board of directors. Group companies also manage risks individually and continuously work on reducing risks and preventing the occurrence thereof.

### 3. Matters concerning internal audits

The Internal Audit Department carries out audits on the effectiveness of the system for compliance with laws, regulations, and the Articles of Incorporation as well as the risk management process at the Company. In addition, the department continuously carries out audits of Group companies deemed as having a high risk and reports the results of the audits to the CEO each time.

### 4. Matters concerning the execution of duties by directors and employees

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

### 5. Matters concerning the execution of duties by audit and supervisory board members

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

### **Status of internal audits and audit and supervisory board member audits**

The Internal Audit Department consisting of 27 members conducts internal audits of the overall duties of the Company as an organization directly under the CEO, and also conducts audits mainly 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 and supervisory board members.

The audit and supervisory board consists of four members, two of whom are external members (two full-time members and two part-time members).

The internal audit and supervisory board members consist of one full-time member and one part-time member. The full-time internal audit and supervisory board member has extensive knowledge and experience in the fields of corporate governance and compliance accumulated through serving as an executive officer, CCO, 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 and 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 and 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 and supervisory board member has extensive experience in heading compliance and risk management divisions of a financial institution. The part-time external audit and supervisory board member has extensive knowledge and experience as a certified public accountant.

The audit and supervisory board members, including the external audit and 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 and supervisory board members of major subsidiaries, through regular interviews and other means.

The audit and 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 and 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, etc. as necessary.

**Status of audit by the independent auditor**

- (a) Name of the independent auditor  
Deloitte Touche Tohmatsu LLC.
- (b) Consecutive auditing period  
19 years
- (c) Certified public accountants who executed the audit duties of the Company  
Designated engagement partners: Mr. Tomoyasu Maruyama, Mr. Masayuki Yamada, Mr. Kazuyuki Oeda
- (d) Composition of assistants for the audit duties of the Company  
30 certified public accountants and 62 others

**Relationship with external directors**

The Company has four external directors.

The Company has business relationships, such as service outsourcing, with HORIBA, Ltd., where external director Atsushi Horiba serves as Representative Director. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible. In addition, the Company has concluded a secondment agreement, etc. with TDK Corporation, where external director Takehiro Kamigama serves as Mission Executive. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible. The Company also has a business relationship regarding the establishment of a base station, etc., with Yamaha Motor Co., Ltd., where Mr. Kamigama also serves as External Director. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible.

Other than the above, there are no special interests between the Company and companies at which the Company's external directors hold significant concurrent positions.

**Relationship with external audit and supervisory board members**

The Company has two external audit and supervisory board members.

The Company has a business relationship regarding the establishment of a base station, etc., with Fujikura Ltd., where audit and supervisory board member Kenichiro Abe serves as External Director and Audit Committee Member. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible.

Other than the above, there are no special interests between the Company and companies at which the Company's external audit and supervisory board members hold significant concurrent positions.

**Quorum of directors**

The Company's Articles of Incorporation stipulate that the quorum of directors shall not exceed 15.

**Requirement for resolution relating to election of directors**

The Company stipulates in its Articles of Incorporation that a resolution for the election of directors shall be made by a majority of the voting rights with the attendance of shareholders collectively holding at least one-third of the voting rights who are entitled to exercise their voting rights. The Articles of Incorporation also stipulate that no accumulative voting shall be used for the election of directors.

**Decision-making body for dividend of surplus, etc.**

The Company stipulates in its Articles of Incorporation that a decision on the dividend of surplus and other matters specified in each item of Paragraph 1, Article 459 of the Companies Act can be made by a resolution of the board of directors, unless otherwise specified by laws and regulations. The purpose of such stipulation is to make flexible decisions in accordance with the Company's basic policy concerning dividend of surplus, etc.

**Exemption of directors and audit and supervisory board members from liability**

Pursuant to the provision of Paragraph 1, Article 426 of the Companies Act, the Company stipulates in its Articles of Incorporation that directors (including former directors) and audit and supervisory board members (including former audit and supervisory board members) may be exempted from liability for damages due to negligence of their duties to the extent provided in laws and regulations by a resolution of the board of directors, and pursuant to the provision of Paragraph 1, Article 427 of the Companies Act, the Company may conclude a contract with directors (excluding executive directors, etc.) and audit and supervisory board members to limit liability for damages due to negligence of their duties to the amount provided for in the laws

and regulations. The purpose of such stipulation is to develop an environment where directors and audit and supervisory board members can fully demonstrate their abilities in executing their duties to fulfill their expected roles.

**Requirement for special resolution relating to General Meeting of Shareholders**

The Company stipulates in its Articles of Incorporation that the resolution prescribed in Paragraph 2, Article 309 of the Companies Act shall be made by two-thirds or more of the voting rights with the attendance of shareholders collectively holding at least one-third of the voting rights who are entitled to exercise their voting rights. The purpose of such stipulation is to conduct smooth operation of the General Meeting of Shareholders.

**3. 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 of steering management to improve the 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 and supervisory board to conduct efficient and effective audits regarding the status of execution of duties by directors. The audit and supervisory board consists of four audit and supervisory board members, including two external audit and supervisory board members, and formulates the “audit policy,” “audit plan” and “audit method.” audit and 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.

The current system is thus selected because the Company judges that its corporate governance is functioning effectively.

**III. Implementation of Measures for Shareholders and Other Stakeholders**

**1. Status of Measures to Vitalize the General Meeting of Shareholders and Enable Smooth Exercise of Voting Rights**

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The Company delivered the Notice for the 34th Annual General Meeting of Shareholders held on June 24, 2020 on the statutory date, and posted it on its website five business days before the delivery.
Scheduling General Meeting of Shareholders Avoiding the Peak Day	To allow a greater number of the shareholders to attend, the Company schedules the Annual General Meeting of Shareholders on off-peak days when meetings of many other companies are not concentrated.
Allowing Electronic Exercise of Voting Rights	A system for executing voting rights through the Internet has been in place since 2019 (the 33rd Annual General Meeting of Shareholders).
Participation in Electronic Voting Platform	The Company has used the Voting Platform for institutional and other investors since 2019 (the 33rd Annual General Meeting of Shareholders).
Providing Convocation Notice in English	The Company prepares an English translation of the full text of its Notice of Annual General Meeting of Shareholders.
Other	Initiatives to promote understanding: At the Annual General Meeting of Shareholders, the Company uses video footage to report on its operations to help shareholders better understand the results of operations and the status of its businesses. The chairman of the meeting introduces the Company’s medium- to long-term business strategies in addition to reporting on legally mandated items. Moreover, the Notice of

	<p>the General Meeting of Shareholders provides shareholders with a greater volume of information to be used in exercising their voting rights. To facilitate easy reading, the information in the notice is illustrated with charts and color photographs.</p> <p>Disclosure of voting results: The voting results for proposals at the General Meeting of Shareholders are posted in an Extraordinary Report on EDINET and posted on the Company's website in both Japanese and English.</p> <p>Distribution via the Internet: The Company provides live webcasts of the Annual General Meeting of Shareholders on its website. The footage is also available on the website after the meeting.</p> <p>Measures to prevent the spread of the novel coronavirus: The Company took measures to prevent the infection and spread of the novel coronavirus, with the safety of its shareholders as the top priority, at the 34th Annual General Meeting of Shareholders.</p>
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## 2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	<p>The Company's policy is to disclose statutory disclosure documents, as well as voluntary disclosure documents including non-financial information, while paying attention to making them accurate and highly useful in laying the foundation for constructive dialogues with shareholders. The Company publishes its policy for IR activities on its website. The webpage titled "IR Activities" shows matters related to information disclosure, including the basic policy, disclosure standards, and disclosure methods. The page also lists information disclosure materials, the quiet periods for IR activities and the status of IR activities. For details, please refer to the website: <a href="https://www.softbank.jp/corp/ir/governance/ir_activities/">https://www.softbank.jp/corp/ir/governance/ir_activities/</a></p>	
Regular Investor Briefings for Retail Investors	<p>The Company provides clear and highly useful information to individual shareholders and retail investors. Since information is disclosed to a large number of shareholders and investors, the primary means of disclosure is on the website. At the same time, the Company focuses on dialogue also by holding online conferences and briefings with live Q&amp;A sessions mainly at head offices of securities companies in Japan.</p>	Yes
Regular Investor Briefings for Analysts and Institutional Investors	<p>When quarterly earnings results are announced, the Company holds earnings results briefings for analysts, institutional investors, and the media. The CEO, Vice President and Director, Executive Vice President &amp; CFO explain the business status, strategy, measures and outlook.</p>	Yes

	The Company livestreams earnings results briefings for analysts and institutional investors on its website. The footage is posted on the website soon after the briefings.	
Regular Investor Briefings for Overseas Investors	The Company's delegates visit institutional investors outside Japan to explain the business status, strategy, measures and outlook. With regard to disclosure of materials in English, the Company works to keep the disparity in disclosure, in terms of timeliness and volume of information, with the Japanese materials within reason. The Company provides live webcasts of earnings results briefings in English on its website. The footage becomes available on the website after the briefings.	Yes
Posting of IR Materials on Website	The Company's IR materials are posted on its website.	
Establishment of Department and/or Manager in Charge of IR	The Investor Relations Department is established to handle IR. As of June 26, 2020, the department consists of 10 people to manage IR activities.	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company states in the Sustainability Principles its aim to grow together with all stakeholders, including customers, shareholders, employees, and business partners, by contributing to the realization of a prosperous and happy society through its business activities, as indicated in the corporate philosophy of "Information Revolution - Happiness for everyone."
Implementation of Environmental Activities, CSR Activities, etc.	Under the Sustainability Principles, the directors and employees of the Company and Group companies carry out CSR activities to fulfill corporate social responsibility and continue sustainable growth together with society, while also making various efforts to contribute to the SDGs through the businesses of the Group. Main activities: providing and supporting various communication services in the event of a large-scale disaster, conducting activities conducive to reconstruction, supporting countermeasures against the novel coronavirus through ICT, supporting education using ICT, addressing global environmental protection including climate change and resource management, and establishing materiality (key issues) and KPIs under the SDGs For more information on the SDGs, please refer to the following website: Sustainability -A world where all things, information and minds are connected- <a href="https://www.softbank.jp/en/corp/sustainability/">https://www.softbank.jp/en/corp/sustainability/</a>
Development of Policies on Information Provision to Stakeholders	The Company strives to ensure timely and appropriate disclosure of information according to the statutory disclosure requirements based on the Financial Instruments and Exchange Act and other relevant acts and ordinances, and as required by the Rules on Timely Disclosure set by the Tokyo Stock Exchange. The Company also discloses critical information that is not subject to either statutory disclosure or timely disclosure requirements but could potentially affect investment decisions. This information is disclosed in a fair and prompt manner so as to give all the stakeholders equal access to it.

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

#### **Development status of internal control system (including development status of risk management system)**

The Company makes decisions on the following matters at the board of directors meetings in accordance with the Companies Act and an ordinance of the Ministry of Justice with regard to the system to ensure that the execution of duties by directors is in compliance with laws, regulations, and the Articles of Incorporation and the system to ensure the appropriateness of operations.

#### 1. System to ensure that the execution of the duties of directors and employees with laws, and the Articles of Incorporation of the Company.

The Company has established to prescribe the Compliance code of conduct to be followed by all directors and employees to ensure that corporate activities are appropriate based not only on compliance with laws and regulations, but also on high ethical standards, and has established the following structure to continuously reinforce the compliance system:

- (1) A chief compliance officer (CCO) is appointed. The CCO proposes and carries out measures required to establish and enhance the Company's compliance system.
- (2) Compliance Office is established. The Compliance Office assists the CCO.
- (3) The person responsible for the Compliance Department and the person to promote compliance are placed in each department for thorough compliance.
- (4) Internal and external hotlines (the reporting contact office for compliance) are established for direct reporting and consultations by directors and employees, to quickly identify, rectify, and prevent the recurrence of any inappropriate issues in corporate activities. The Company ensures that persons who have reported or consulted on the hotlines will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted on the hotline in the Compliance Regulations.
- (5) Audit and supervisory board members and the audit and supervisory board request measures for improvements to the board of directors, if they identify issues in the system for compliance with laws, regulations, and the Articles of Incorporation.

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

The Company has established the following system to appropriately store and maintain information related to the execution of duties by directors:

- (1) The Company determines retention periods and methods and measures to prevent accidents, based on the Information Management Regulations, and classifies and appropriately stores these documents according to their degree of confidentiality.
- (2) A chief information security officer (CISO) is appointed as the person responsible for information security management, and persons responsible for information security are placed in each department to establish a system to store and maintain information, based on the Information Security Basic Regulations.
- (3) The Chief Data Officer Office has been established and a chief data officer (CDO) has been appointed. In addition, policies and rules have been set out to manage and strategically utilize internal and external data, and the internal management system for handling secrecy of communication and personal information has been strengthened.

#### 3. Regulations and systems related to risk management

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

Based on the Risk Management Regulations, the risk management department summarizes the status of risk evaluation, analysis and response at each unit, and regularly reports its findings to the risk management committee consisting of representative directors and other committee members. The risk management committee determines the degree of importance and owners of the risks, and confirms and promotes measures developed and taken by the risk owners, thereby reducing risks and preventing the occurrence of risk events. The risk management committee then regularly reports its findings to the board of directors. When an emergency situation arises, an Emergency Response Department will be established and efforts will be made to minimize the damage (loss) based on the instructions of the Emergency Response Department.

#### 4. System to ensure the efficiency of directors in the execution of their duties

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

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

#### 5. System to ensure appropriateness of the operations of the Company and the Group

The Company shares fundamental concepts and policies throughout the Group and reinforces the management system and compliance in accordance with the SoftBank Charter of Corporate Behavior, etc. established by its parent company. In addition, the following systems have been established to apply Group-wide rules to directors and employees of the Company and its subsidiaries:

- (1) In establishing and reinforcing the compliance system of each Group company as well as implementing compliance, CCO gives advice, instructions, and orders to CCO of each Group company to ensure that such activities comply with the Group's basic compliance policy. The reporting contact office for compliance has also been established to receive reports and provide consultation to directors and employees of each Group company to quickly identify, rectify, and prevent the recurrence of any inappropriate issues in corporate activities. The Company ensures that persons who have reported or consulted on the hotline will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted on the hotline in the Compliance Regulations.
- (2) The Group Information Security Committee, composed of the persons responsible for information security in each Group company, shall be established to share information on system responses and the status of measures, knowledge and technology related to information security. This Committee is headed by the Chief Information Security Officer (CISO) who is responsible for information security in the Company.
- (3) The representative of each Group company must submit a Representative Oath pertaining to the financial reports submitted to SoftBank Corp., which ensures the accuracy of the annual securities report and other reports submitted by the Group as a whole.
- (4) The Internal Audit Department comprehensively judges the results of past internal audits, financial position, and carries out internal audits of Group companies deemed as having a high risk.
- (5) Each Group company addresses risks in an effort to reduce and prevent any possible risks. In addition, in the event of emergency, each Group company will be requested to immediately report to the Company based on the Risk Management Regulations, and efforts will be made to minimize damage (loss) through cooperation between the Company and Group companies depending on the circumstances.

#### 6. System for excluding organized crime and other criminal elements

The Company clearly states in the Regulations on Countermeasures against Antisocial Forces its policy of having absolutely no association with antisocial forces that pose a threat to public order and safety. The Company establishes an internal system against antisocial forces and has a responsible division in place to carry out overall management. For dealing with unfair requests from antisocial forces, the Company will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

#### 7. Matters relating to the relevant employees when audit and supervisory board members request to have support staff that assists the audit and supervisory board members, matters relating to the independence of the relevant employees from the directors, and matters relating to ensuring the effectiveness of instructions given to the relevant employees

The Company has established the Assistant to Audit Department as an organization to support the work of the audit and supervisory board members, and assigns dedicated staff to this department. The appointment of the support staff is notified to the audit and supervisory board members, and any personnel changes, evaluations, or other such actions require the agreement of the audit and supervisory board members. In addition, directions and instructions to the support staff are issued by the audit and supervisory board members to ensure the effectiveness of the instructions.

8. System for reporting to the audit and supervisory board members by directors and employees and other systems for reporting to the audit and supervisory board members

Directors and employees will report the following matters to the audit and supervisory board members or the audit and supervisory board without delay (or immediately for any urgent matters including facts that may potentially cause severe damage to the Company):

- (1) Matters related to the compliance system or use of the reporting contact office for compliance.
- (2) Matters related to finance (including financial reporting and actual status to budget planning).
- (3) Matters related to human resources (including labor management).
- (4) The status of work related to risk matters on information security.
- (5) The status of work related to large-scale disaster and network disruption, etc.
- (6) The development status of internal control.
- (7) The status of work related to external fraud investigations.
- (8) Matters related to violations of laws, regulations, or the Articles of Incorporation.
- (9) Results of audits conducted by the Internal Audit Department.
- (10) Other matters which could cause significant damage to the Company and other matters that the audit and supervisory board members have decided that need to be reported in order for them to execute their duties.

9. Other systems to ensure that the audits by the audit and supervisory board members are conducted effectively

The following matters are provided as other systems to ensure that the audits by the audit and supervisory board members are conducted effectively.

- (1) When the audit and supervisory board members deem it necessary, opportunities shall be provided for them to interview directors or employees of the Company and Group companies. In addition, the audit and supervisory board members periodically meet with the independent auditor and the audit and supervisory board members of major subsidiaries and other entities for an exchange of information and to ensure cooperation, and also attend important meetings.
- (2) The Company ensures a system that persons who have reported or consulted with the audit and supervisory board members will not be treated disadvantageously on the grounds of having reported or consulted with the audit and supervisory board members.
- (3) The Company shall pay expenses relating to the independent auditor, the attorneys and other professionals, and other expenses associated with the execution of duties by the audit and supervisory board members.

## **2. Basic Views on Excluding Antisocial Forces and the Progress of System Development**

1. Basic guidelines for relationships with antisocial forces

The Company's approach to excluding antisocial forces is described in "1. Basic Views on Internal Control System and the Progress of System Development."

The Company clearly states in the Regulations on Countermeasures against Antisocial Forces its policy of having absolutely no association with antisocial forces that pose a threat to public order and safety. The Company establishes an internal system against antisocial forces and has a responsible division in place to carry out overall management. For dealing with unfair requests from antisocial forces, the Company will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

2. Development status of internal system for excluding antisocial forces

The Company has established departments responsible for development of an internal system related to antisocial forces and overall management, and response to unfair requests from antisocial forces.

In addition, the Company cooperates with external specialist institutions, such as the National Center for Removal of Criminal Organizations, in responding to antisocial forces and gathering information.

Furthermore, the Company posts Regulations on Countermeasures against Antisocial Forces, as well as Dos and Don'ts for Responding to Antisocial Forces and Q&As Concerning Antisocial Forces as specific response manuals on the Intranet, and also prepares for emergencies by conducting awareness-raising activities through e-learning training.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation
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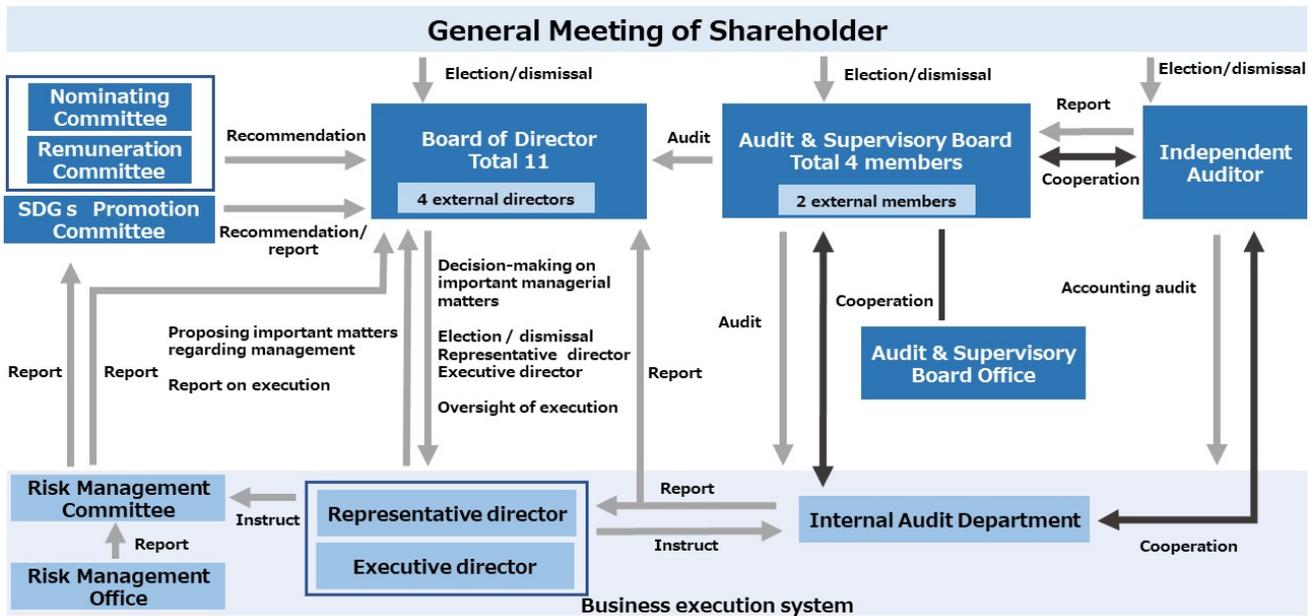
At present, no concrete measures have been set.
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### 2. Other Matters Concerning Corporate Governance System

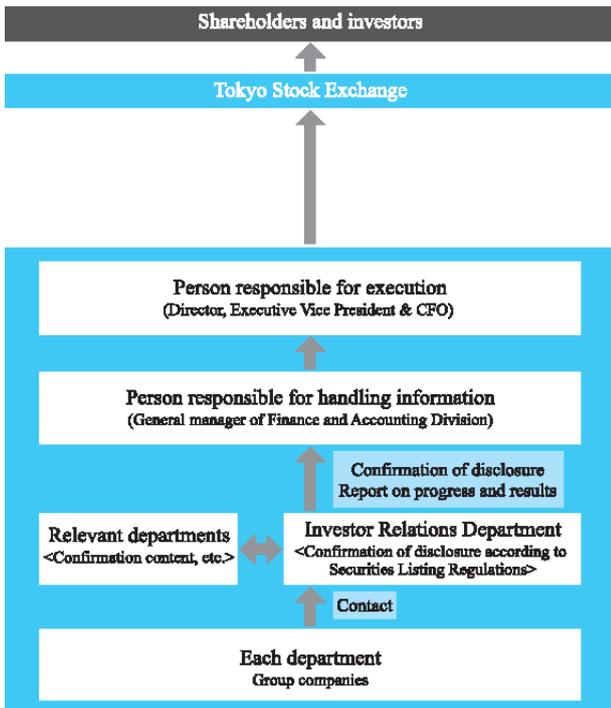
<p><b>Information disclosure system</b></p> <p>1. Basic policy on timely disclosure The Company appropriately discloses both financial and non-financial information in compliance with relevant laws and regulations and the rules of the Tokyo Stock Exchange. Furthermore, the Company also strives to actively provide more information than required by laws and regulations and the Tokyo Stock Exchange when necessary by carefully considering the impact on investors and other stakeholders. In either case, the board of directors strives to ensure that the Company's information disclosure is always fair, clear, and useful.</p> <p>2. Internal system for timely disclosure The Company conducts timely disclosure with the Investor Relations Department as the responsible department. The IR Rules set out matters to be reported to the Investor Relations Department related to timely disclosure, including required reporting times and procedures. When timely disclosure is necessary, the Investor Relations Department prepares timely disclosure materials in close coordination with related departments such as Accounting, Finance, Legal, and General Administration and swiftly conducts timely disclosure under the approval of the Director, Executive Vice President &amp; CFO in charge.</p> <p>Matters subject to timely disclosure requirements related to earnings results are compiled into a disclosure document by the department in charge of accounting and relevant departments based on information collected from group companies. The general manager of the Finance and Accounting Division is responsible for preparation of the disclosure document related to earnings results. The document is swiftly disclosed under the approval of the Director, Executive Vice President &amp; CFO in charge.</p>
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### Chart of corporate governance system (reference)

# Corporate Governance System



Overview of timely disclosure system (chart)  
Important matters subject to timely disclosure



Matters subject to timely disclosure requirements relating to earnings results

