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## Notice of the 37<sup>th</sup> Annual General Meeting of Shareholders

(April 1, 2016 to March 31, 2017, "FY2016" or "this fiscal year")

### Information of the Meeting

**Date and Time:** 10:00 AM, Wednesday, June 21,  
2017 (Reception will start at 9:00 AM)

**Venue:** Hall A, Tokyo International Forum  
5-1, Marunouchi 3-chome, Chiyoda-ku,  
Tokyo

**Agenda of the Meeting:**

- Proposal 1: Appropriation of Surplus
- Proposal 2: Election of Eleven Directors
- Proposal 3: Election of Three Audit & Supervisory Board Members
- Proposal 4: Issuance of Stock Acquisition Rights as Stock Options



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## To Our Shareholders



I am pleased to notify you of the 37<sup>th</sup> Annual General Meeting of Shareholders.

In FY2016, SoftBank Group Corp. (“SBG”) actively expanded its operations in preparation for the IoT\* era. These efforts, included the acquisition of UK-based ARM Holdings plc, a major semiconductor design company, the announcement of the establishment of the SoftBank Vision Fund and an investment in low Earth orbit (LEO) satellite communications company OneWeb.

In FY2016, SBG recorded net sales of ¥8.9 trillion, operating income of ¥1.026 trillion, and net income attributable to owners of the parent of ¥1.4 trillion. Net sales reached record highs, due mainly to increased revenues from the Domestic Telecommunications segment and the Yahoo Japan segment, as well as the newly added ARM segment. Operating income increased, owing to further improvements in the Sprint

segment and the acquisition of the ARM business.

Net income attributable to owners of the parent increased, primarily due to the recording of net income from discontinued operations through the sale of Supercell shares.

In addition, in FY2016, SBG increased the annual dividend to ¥44 per share and retired 100 million shares of treasury stock (8.33% of the total number of shares issued prior to the retirement) as part of its shareholder return policy.

Guided by its corporate philosophy of “Information Revolution – Happiness for everyone,” the SoftBank Group (the “Group”) will strive to further increase corporate value. I would like to ask all shareholders for their continued support.

June 6, 2017

\*IoT: Internet of Things is the internetworking of various devices and other items embedded with network connectivity functions to enable Internet connectivity or interconnection.

# The Notice

## Notice of the 37<sup>th</sup> Annual General Meeting of Shareholders

**Date and time:** 10:00 AM, Wednesday, June 21, 2017

**Venue:** Hall A, Tokyo International Forum 5-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

**Agenda of the Meeting:** **Matters for reporting:** ▶ Business Report, Consolidated Financial Statements for FY2016 (April 1, 2016 to March 31, 2017) and results of audits by the Independent Auditor and Audit & Supervisory Board of Consolidated Financial Statements

▶ Non-consolidated Financial Statements for FY2016 (April 1, 2016 to March 31, 2017)

**Matters for approval:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Election of Eleven Directors

**Proposal 3:** Election of Three Audit & Supervisory Board Members

**Proposal 4:** Issuance of Stock Acquisition Rights as Stock Options

**Arrangements in convening the Meeting:**

Please refer to pages 3 to 4 “Guide to Exercising Voting Rights.”

- SBG will post any revisions made to the Reference Materials for the Annual General Meeting of Shareholders, the Business Report, or Consolidated Financial Statements and Non-consolidated Financial Statements on its website.
- The following matters are not stated in this Notice or the Appendix, as they are made available to the shareholders on SBG’s website pursuant to applicable laws and regulations and Article 14 of the Articles of Incorporation of SBG.

■ <b>Business Report</b>	... Status of SoftBank Group Corp. / (5) Overview of system to ensure appropriateness ... of the operation and its implementation status
■ <b>Consolidated Financial Statements</b>	Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements
■ <b>Non-consolidated Financial Statements</b>	... Statement of Changes in Equity, Notes to Non-consolidated Financial Statements

Website of SBG

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

## Guide to Exercising Voting Rights

Voting rights are important rights which enable our shareholders to participate in the management of SBG. Voting rights can be exercised as shown below. Please refer to the Reference Materials for the Annual General Meeting of Shareholders and exercise your rights.

### How to fill out the voting form

Please indicate your approval or disapproval of the proposals in the form.

#### Proposal 1 and 4

- If you approve ⇒ Circle “**Approve**”
- If you disapprove ⇒ Circle “**Disapprove**”

#### Proposal 2 and 3

- If you approve of all candidates ⇒ Circle “**Approve**”
- If you disapprove of all candidates ⇒ Circle “**Disapprove**”
- If you wish to indicate approval or disapproval for certain candidates ⇒ Circle “**Approve**” or “**Disapprove**,” and indicate their candidate number.

### If you are attending the Meeting

Please bring the enclosed voting form and submit it at the reception desk at the venue. You are also asked to bring this booklet as reference materials for the proceedings.

**Date and time of the Meeting:** 10:00 AM, Wednesday, June 21, 2017

### If you are exercising your voting rights by mail

Please return the enclosed voting form upon clearly indicating your approval or disapproval of each proposal.

#### Request to mail ahead of time

There are many voting forms arriving after the deadline for exercising voting rights. Mailing of your voting form ahead of time is appreciated.

**Deadline for exercising voting rights:** Received by 5:45 PM, Tuesday, June 20, 2017

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## If you are exercising your voting rights through the Internet

Please access SBG's designated website for voting (<http://www.evotep.jp>), follow the instructions on the screen and enter your approval or disapproval of the proposals.



The website can be accessed by reading the QR code on the left from smartphones or mobile handsets equipped with a QR code reader.

**Deadline for exercising voting rights:** 5:45 PM, Tuesday, June 20, 2017

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## Frequently asked questions regarding exercise of voting rights

**Q1 If I exercise my voting rights twice by returning the voting form and through the Internet, etc., which one will be effective?**

**A1** SBG will treat the exercise of your voting right through the Internet, etc. as effective.

**Q2 If I exercise my voting rights more than once through the Internet, etc., will they all be effective?**

**A2** If you exercise your voting rights more than once, the last exercise of your voting rights shall be deemed to be effective.

**Q3 If I have approved receipt of notice of convocation by electromagnetic means, how can I request a voting form or other documents?**

**A3** SBG does not issue a voting form or other documents to those shareholders who have approved the receipt of notice of convocation by electromagnetic means unless requested to do so by those shareholders. Please ask the Helpdesk as shown below.

### Electronic Voting Platform

Nominee shareholders such as managing trust banks and others (including standing proxies) will be able to use the electronic voting platform as a method to electronically exercise voting rights at the Annual General Meeting of Shareholders of SBG in addition to the method to exercise voting rights through the Internet stated in the above, if the shareholders have applied in advance for the use of the electronic voting platform operated by a joint venture established by Tokyo Stock Exchange, Inc. and other parties.

### Method for receiving a notice of convocation

If you wish to receive a notice of convocation by e-mail, please follow the procedure on the voting website on your PC or other devices.

**For inquiries regarding the system, please contact:**

Helpdesk

(Transfer Agent Division, Mitsubishi UFJ Trust and Banking Corporation)

Phone: **0120-173-027** (Toll free)

(Business hours: 9:00-21:00)

# Live Streaming Information / Questions and Opinions through the Internet / Notice on the Web

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## Live Streaming Information

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The 37<sup>th</sup> Annual General Meeting of Shareholders will be available for viewing through our website.

### How to view:

Please view the live stream by accessing the “[Live streaming] The 37<sup>th</sup> Annual General Meeting of Shareholders” page of SBG’s website.

<http://u.softbank.jp/sbsoukai37>

### Date and time of streaming:

From 10:00 AM, Wednesday, June 21, 2017

- The camera will be shot from the rear of the venue, and due care will be taken not to include images of attending shareholders. However, please be aware that some shareholder images may inevitably appear in the streaming.
- As the shareholder Q&A at the Meeting will be included in the live streaming, only the attendance card number shall be mentioned by those who wish to make comments.
- If for any reason live streaming service cannot be provided, notice will be given on the “[Live streaming] The 37<sup>th</sup> Annual General Meeting of Shareholders” page.

### [Viewing the Meeting after the conclusion of the live stream](#)

The Meeting will be available on video on demand through SBG’s website.

### Availability period:

Video will be available for 1 year from Wednesday, June 21, 2017

## Questions and Opinions through the Internet

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Questions and opinions are warmly accepted via the Internet.

### How to submit:

Please access the “Questions and Opinions” page of SBG’s website. Matters of high interest to shareholders are scheduled to be noted during the General Meeting of Shareholders.

<http://u.softbank.jp/q37>

### Deadline for submissions:

6:00 PM, Sunday, June 11, 2017

- Please do NOT write any of your personal information including your name or address in light of personal information protection.

## Notice on the Web

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The main content of this Notice can be viewed easily on your computer or smartphone.

### How to view:

Please access the website below or use the QR code to view the Notice.

<http://srdp.jp/9984/>



### **Proposal 1: Appropriation of Surplus**

The fundamental policy of SBG is to focus on investing actively for sustained growth as well as returning profits to shareholders, while maintaining a sound financial status. Under this policy, SBG, in principle, is to provide dividends twice a year, an interim dividend and a year-end dividend. Accordingly, the year-end dividend for FY2016 is proposed as indicated below.

As interim dividend of ¥22.00 per share has been distributed, total dividend payout for this fiscal year will be ¥44.00 per share, an increase of ¥3.00 from the previous fiscal year.

- 
- 1 Type of dividend property:**  
Cash

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  - 2 Matter concerning allotment of dividend property to shareholders and its total amount:**  
¥22.00 per common stock of SBG, for a total of ¥23,964,210,358

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  - 3 Effective date of dividend of surplus:**  
June 22, 2017
-

## Proposal 2: Election of Eleven Directors

The terms of office of the present seven Directors will expire at the conclusion of this Annual General Meeting of Shareholders. It is proposed that the number of Directors be increased by four in order to strengthen management structure, and eleven Directors be elected.

Director nominees are as follows:

Candidate No.		Name		Current position at SBG
1	Reelected	Masayoshi Son		Chairman & CEO
2	Reelected	Ken Miyauchi		Representative Director, President & COO
3	Reelected	Ronald D. Fisher		Director
4	Newly elected	Marcelo Claure		-
5	Newly elected	Rajeev Misra		-
6	Newly elected	Simon Segars		-
7	Reelected	Yun Ma		Director
8	Reelected	Tadashi Yanai	External Director Independent Officer	Director
9	Reelected	Shigenobu Nagamori	External Director Independent Officer	Director
10	Newly elected	Mark Schwartz	External Director Independent Officer	-
11	Newly elected	Yasir O. Al-Rumayyan	External Director Independent Officer	-



Candidate  
No.

1



Reelected

**Masayoshi Son** (Date of birth: August 11, 1957)

Number of shares held  
in SBG

231,204,632 shares

**Biography, titles, responsibilities and significant concurrent positions**

Sept. 1981	Founded SBG, Chairman & CEO
Apr. 1983	Chairman of the SBG
Feb. 1986	Chairman & CEO of SBG (to present)
Jan. 1996	President & CEO, Yahoo Japan Corporation
July 1996	Chairman of the Board, Yahoo Japan Corporation
Oct. 2005	Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited; to present)
Apr. 2006	Chairman of the Board, President & CEO, Vodafone K.K. (currently SoftBank Corp.)
June 2007	Chairman & CEO, SoftBank Mobile Corp. (currently SoftBank Corp.)
July 2013	Chairman of the Board, Sprint Corporation (to present)
Apr. 2015	Chairman, SoftBank Mobile Corp. (currently SoftBank Corp.; to present)
June 2015	Director, Yahoo Japan Corporation (to present)
Sept. 2016	Chairman and Executive Director, ARM Holdings plc (to present)

**Reason for nomination**

Since founding SBG in September 1981, Mr. Masayoshi Son has been at the helm of the Group's management for 36 years, achieving remarkable growth for the Group through advances into the Internet and telecommunications businesses, acquisition of major U.S. telecommunications operator Sprint Corporation, investment in world's largest e-commerce company Alibaba Group Holding Limited, acquisition of UK-based ARM Holdings plc and foundation of the SoftBank Vision Fund, among other efforts.  
The Board would like to elect Mr. Son as a Director nominee for the further growth of the Group.

Candidate  
No.

2



Reelected

**Ken Miyauchi** (Date of birth: November 1, 1949)

Number of shares held  
in SBG

1,063,030 shares

**Biography, titles, responsibilities and significant concurrent positions**

Feb. 1977	Joined Japan Management Association
Oct. 1984	Joined SBG
Feb. 1988	Director of SBG
Apr. 2006	Executive Vice President, Director & COO, Vodafone K.K. (currently SoftBank Corp.)
June 2007	Representative Director & COO, SoftBank Mobile Corp. (currently SoftBank Corp.)
June 2012	Director, Yahoo Japan Corporation (to present)
Apr. 2013	Representative Director, Executive Vice President of SBG
June 2013	Representative Director, Senior Executive Vice President of SBG
Jan. 2014	Director, Brightstar Global Group Inc.
Apr. 2015	President & CEO, SoftBank Mobile Corp. (currently SoftBank Corp.; to present)
June 2015	Director of SBG
June 2016	Representative Director, President & COO of SBG (to present)

**Reason for nomination**

Mr. Ken Miyauchi joined SBG in October 1984 shortly after SBG's founding. In the course of a career focused on the fields of sales and marketing, he significantly expanded the computer packaged software distribution business that SBG was originally engaged in, and contributed to growing the domestic telecommunications business that SBG entered through acquisitions. He assumed the position of President & CEO of SoftBank Corp. in April 2015, Representative Director, President & COO of SBG in June 2016 and leads the Group's domestic business in Japan.  
The Board would like to elect Mr. Miyauchi as a Director nominee for the further growth of the Group.

Candidate  
No.

3



Reelected

## Ronald D. Fisher (Date of birth: November 1, 1947)

Number of shares held  
in SBG

-

### Biography, titles, responsibilities and significant concurrent positions

July 1984	President, Interactive Systems Corp.
Jan. 1990	CEO, Phoenix Technologies Ltd.
Oct. 1995	Director and President, SoftBank Holdings Inc. (to present)
June 1997	Director of SBG (to present)
July 2013	Vice Chairman of the Board, Sprint Corporation (to present)
Jan. 2014	Director, Brightstar Global Group Inc.
Aug. 2014	Chairman, Brightstar Global Group Inc. (to present)
Sept. 2016	Director, ARM Holdings plc (to present)

### Reason for nomination

After operating an IT business in the U.S., Mr. Ronald D. Fisher joined the Group as Director and President of SoftBank Holdings Inc. in October 1995. For many years, he focused his efforts on maximizing the performance of direct investments and funds held. He assumed the positions of Vice Chairman of Sprint Corporation in July 2013, Chairman of Brightstar Global Group Inc. in August 2014, and Director of ARM Holdings plc in September 2016, and has supported growth of each company.

The Board would like to elect Mr. Fisher as a Director nominee for the further growth of the Group.

Candidate  
No.

4



Newly  
elected

## Marcelo Claire (Date of birth: December 9, 1970)

Number of shares held  
in SBG

-

### Biography, titles, responsibilities and significant concurrent positions

June 1995	Owner, USA Wireless, Inc
Oct. 1996	President, Small World Communications, Inc.
Sept. 1997	Founder, Chairman & CEO, Brightstar Corp.
Jan. 2005	Co-founder, One Laptop Per Child, Inc.
Sept. 2008	Owner, Bolivar Administracion, Inversiones Y Servicios Asociados S.R.L.(to present)
Jan. 2014	Member, Sprint Corporation Board of Directors
Feb. 2014	Founder, Miami Beckham United (to present)
Aug. 2014	President & CEO, Sprint Corporation (to present)
Jan. 2015	Member, CTIA Board of Directors
May 2015	Member, My Brother's Keeper Alliance Board of Directors
Jan. 2016	Vice Chairman, CTIA Board of Directors
Jan. 2017	Chairman, CTIA Board of Directors (to present)

### Reason for nomination

Mr. Marcelo Claire has been the driving force of Brightstar Corp. since founding the company in September 1997, and has built Brightstar Corp. into the world's largest mobile phone distribution company. After SBG acquired Brightstar Corp., he assumed the position of President and CEO of Sprint Corporation in August 2014. Under his leadership, Sprint Corporation has made a great turnaround by becoming an aggressive, agile and innovative competitor with improved network in the industry.

The Board would like to elect Mr. Claire as a Director nominee for the further growth of the Group.

Candidate  
No.

5



Newly  
elected

## Rajeev Misra

(Date of birth: January 18, 1962)

Number of shares held  
in SBG

-

### Biography, titles, responsibilities and significant concurrent positions

Dec. 1985	Joined Los Alamos National Laboratory
Jul. 1986	Joined Realty Technologies Pty Ltd
Aug. 1991	Joined Merrill Lynch (Currently Bank of America Merrill Lynch)
May 1997	Joined Deutsche Bank AG as the Managing Director
May 2001	Global Head of Credit, Emerging Markets, Deutsche Bank AG
Jan. 2006	Member of the Engineering Board of Overseers at the University of Pennsylvania (to present)
Apr. 2009	Joined UBS Group AG
Jan. 2010	Global Co-Head of Fixed Income, Currencies and Commodities, UBS Group AG
May. 2014	Joined Fortress Investment Group LLC as the Senior Managing Director and Partner
Nov. 2014	Joined SoftBank as the Head of Strategic Finance for the Group (to present)
May. 2017	CEO, SoftBank Investment Advisers, which will advise SoftBank Vision Fund (to present)

### Reason for nomination

After serving in key positions at investment division and credit division of Deutsche Bank AG and UBS Group AG, Mr. Rajeev Misra joined as Head of Strategic Finance of the Group in November 2014. He has been serving a vital role in financing for investment by the Group, and also led establishing SoftBank Vision Fund, and serves as CEO of SoftBank Investment Advisers, which will advise the SoftBank Vision Fund.

The Board would like to elect Mr. Misra as a Director nominee for the further growth of the Group.

Candidate  
No.

6



Newly  
elected

## Simon Segars

(Date of birth: October 17, 1967)

Number of shares held  
in SBG

-

### Biography, titles, responsibilities and significant concurrent positions

Mar. 1991	Joined ARM Holdings plc
Feb. 2001	Vice President Engineering, ARM Holdings plc
Jan. 2004	Executive Vice President World Wide Sales, ARM Holdings plc
Jan. 2005	Executive Director, ARM Holdings plc
Sept. 2007	EVP and GM, Physical IP Division, ARM Holdings plc
Jan. 2013	President, ARM Holdings plc
July 2013	Appointed CEO, ARM Holdings plc (to present)
Feb. 2015	Non-Executive Director, Dolby Laboratories, Inc. (to present)

### Reason for nomination

Mr. Simon Segars joined ARM Holdings plc in 1991, and has served in many key technology and commercial positions. He has contributed to the growth of ARM Holdings plc, including leading the development of processors for the world's first digital mobile phones. He assumed the position of CEO of ARM Holdings plc in July 2013, and he continues to lead the business of ARM Holdings plc after acquisition by SBG in September 2016.

The Board would like to elect Mr. Segars as a Director nominee for the further growth of the Group.

Candidate  
No.

7



Reelected

**Yun Ma** (Date of birth: September 10, 1964)

Number of shares held  
in SBG

-

**Biography, titles, responsibilities and significant concurrent positions**

Feb. 1995	Founded China Pages, President
Jan. 1998	President, MOFTEC EDI Centre
July 1999	Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)
Nov. 1999	Director, Chairman of the Board and CEO, Alibaba Group Holding Limited
Feb. 2004	Chairman and CEO, Alibaba Group Holding Limited
June 2007	Director of SBG (to present)
Oct. 2007	Non-Executive Director, Chairman, Alibaba.com Limited
May 2013	Executive Chairman, Alibaba Group Holding Limited (to present)

**Reason for nomination**

Mr. Yun Ma has been the driving force of Alibaba.com Corporation (currently Alibaba Group Holding Limited, "Alibaba") since founding the company in 1999.

Over the past 18 years, Mr. Ma has built Alibaba into world's largest e-commerce group under his leadership. SoftBank Corp. (currently SBG) made its first investment in Alibaba in 2000. Today, SBG maintains an equity investment in Alibaba.

The Board would like to elect Mr. Ma as a Director nominee for the further growth of the Group.

Candidate  
No.

8



Reelected

External  
Director

Independent  
Officer

**Tadashi Yanai** (Date of birth: February 7, 1949)

Number of shares held  
in SBG

121,500 shares

**Biography, titles, responsibilities and significant concurrent positions**

Aug. 1972	Joined Ogori Shoji Co., Ltd. (currently FAST RETAILING CO., LTD.)
Sept. 1972	Director, Ogori Shoji Co., Ltd.
Aug. 1973	Senior Managing Director, Ogori Shoji Co., Ltd.
Sept. 1984	President & CEO, Ogori Shoji Co., Ltd.
June 2001	Director of SBG (to present)
Nov. 2002	Chairman & CEO, FAST RETAILING CO., LTD.
Sept. 2005	Chairman, President & CEO, FAST RETAILING CO., LTD. (to present)
Nov. 2005	Chairman, President & CEO, UNIQLO CO., LTD. (to present)
Sept. 2008	Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.; to present)

**Reason for nomination**

Ever since assuming the position of CEO of Ogori Shoji Co., Ltd. (currently FAST RETAILING CO., LTD) in September 1984, Mr. Tadashi Yanai has built it to one of the world's leading specialty retailers of private label apparel (SPA) under his leadership. His extensive knowledge and broad experience over the past 33 years ranges from company management to business strategy.

Mr. Yanai has offered advice on SBG's long-term group strategies drawing on his years of experience and knowledge as CEO and External Director of SBG. With such remarks he plays a vital role in business judgments and decision-making processes at the Board.

In the Board of Directors meetings Mr. Yanai attended, he made a significant contribution to improvement of SBG's enterprise value. He actively raised many questions about and commented on the Group's business from various angles and expressed views from a standpoint of minority shareholder of the Company. In addition, at occasions outside the Board of Directors meetings, he offered recommendations and issued cautions and warnings to SBG management team and thus the Board recognizes that he fully performed his management oversight duties as an External Director. The Board would like to elect Mr. Yanai as an External Director nominee for the further growth of the Group.

Mr. Yanai attended 15 out of 15 Board of Directors meetings held in FY2016, amounting to an attendance rate of 100%.

He is an External Director (Independent Officer) of SBG and will have been in the position for 16 years at the conclusion of this Annual General Meeting of Shareholders.

Candidate  
No.

9



Reelected

External  
Director

Independent  
Officer

Number of shares held  
in SBG

**Shigenobu Nagamori** (Date of birth: August 28, 1944)

35,000 shares

**Biography, titles, responsibilities and significant concurrent positions**

July 1973	Founded Nidec Corporation, Representative Director and Chairman, President, and CEO
Mar. 1997	Member of the Board of Directors and Chairman, Read Electronics Corporation (currently Nidec-Read Corporation; to present)
Sept. 2004	Member of the Board of Directors and Chairman, Nidec Copal Electronics Corporation (to present)
June 2009	Member of the Board of Directors and Chairman, Nidec Sankyo Corporation (to present)
June 2013	Member of the Board of Directors and Chairman, Nidec-Shimpo Corporation (to present)
June 2014	Director of SBG (to present)
Oct. 2014	Chairman of the Board, President & Chief Executive Officer, Nidec Corporation (to present)
Oct. 2015	Member of the Board of Directors and Chairman, Nidec Elesys Corporation (to present)

**Reason for nomination**

Mr. Shigenobu Nagamori founded Nidec Corporation in July 1973 and has since then led and built it into one of the world's comprehensive motor manufacturers. His extensive knowledge and broad experience obtained over the past 44 years encompasses corporate management, business strategy, M&A and turning businesses around.

Mr. Nagamori has offered recommendations on the Group's long-term strategies from a view point of founder and CEO, as well as advice on the business development of companies acquired by SBG drawing on his knowledge and experience in M&A and business reconstruction. With such remarks he plays a vital role in the business judgment and decision-making process at the Board.

In the Board of Directors meetings Mr. Nagamori attended, he made a significant contribution to improvement of SBG's enterprise value. He actively raised many questions about and commented on the Group's business from various angles and expressed views from a standpoint of minority shareholders of SBG. In addition, at occasions outside the Board of Directors meetings, he offered recommendations and issued cautions and warnings to SBG's management team and thus the Board recognizes that he fully performed his management oversight duties as an External Director.

The Board would like to elect Mr. Nagamori as an External Director nominee for the further growth of the Group. Mr. Nagamori attended 15 out of 15 Board of Directors meetings held in FY2016, amounting to an attendance rate of 100%.

Mr. Nagamori is an External Director (Independent Officer) of SBG and will have been in the position for 3 years at the conclusion of this Annual General Meeting of Shareholders.

Candidate  
No.

10



Newly  
elected

External  
Director

Independent  
Officer

**Mark Schwartz**

(Date of birth: June 15, 1954)

Number of shares held  
in SBG

-

**Biography, titles, responsibilities and significant concurrent positions**

July 1979	Joined the Investment Banking Division, Goldman, Sachs & Co.
Nov. 1988	Partner, Goldman, Sachs & Co.
Nov. 1996	Managing Director, Goldman, Sachs & Co.
June 1997	President, Goldman Sachs Japan Co., Ltd.
July 1999	Chairman, Goldman Sachs-Asia
June 2001	Director of SBG
Jan. 2003	President and CEO, Soros Fund Management LLC
June 2004	Retired from the position of Director of SBG
Jan. 2006	Chairman, MissionPoint Capital Partners, LLC
June 2006	Director of SBG
June 2012	Vice Chairman, The Goldman Sachs Group, Inc.
June 2012	Chairman, Goldman Sachs Asia Pacific
June 2016	Retired from the position of Director of SBG
Jan. 2017	Senior Director, The Goldman Sachs Group, Inc. (to present)
Jan. 2017	Senior Director, Goldman, Sachs & Co. (to present)

**Reason for nomination**

Mr. Mark Schwartz has extensive knowledge and experience in the financial sector and investment sector acquired from having served in key positions at Goldman, Sachs & Co., a global investment bank, and its affiliates. He assumed the position of the External Director of SBG for 3 years since June 2001 and 10 years since June 2006, and played a vital role in business judgment and decision-making processes at the Board. The Board would like to elect Mr. Schwartz as an External Director nominee for the further growth of the Group.

Candidate  
No.

11



Newly  
elected

External  
Director

Independent  
Officer

Number of shares held  
in SBG

**Yasir O. Al-Rumayyan** (Date of birth: February 20, 1970) -

**Biography, titles, responsibilities and significant concurrent positions**

Dec. 2010	CEO and Board Member, Saudi Fransi Capital LLC
Feb. 2014	Board Member, Saudi Stock Exchange (Tadawul)
Sept. 2015	Managing Director and Board Member, Public Investment Fund (PIF) of Saudi Arabia (to present)
June 2016	Board Member, Uber Technologies Inc. (to present)
June 2016	Board Member, Saudi Aramco (to present)
Aug. 2016	Board Member, Saudi Industrial Development Fund (to present)

**Reason for nomination**

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

- (Notes) 1. Mr. Masayoshi Son, an intending Director, concurrently holds the posts of President of Masayoshi Son Foundation, the member of Son Asset Management, LLC and Representative Director of SoftBank Corp. and SBG has business relationships, such as office leases, with each of these companies.
2. Mr. Ken Miyauchi, an intending Director, concurrently holds the posts of Representative Directors of SoftBank Corp., SoftBank Commerce & Service Corp. and Wireless City Planning Inc. SBG has business relationships, such as office lease, with these companies.
3. Mr. Yasir O. Al-Rumayyan, a new candidate for Director, concurrently holds the post of Managing Director of Vision Technology Investment Company and SBG has concluded agreements concerning the structuring of the SoftBank Vision Fund with the company.
4. When performing their duties as a Director, in order to have them perform their duties as expected and enable SBG to employ talented personnel, it is stipulated in the Articles of Incorporation that SBG may conclude an agreement with Directors (excluding executive directors, etc.) to limit the liability for damages to the extent specified therein. SBG has concluded an agreement with Messrs. Yun Ma, Tadashi Yanai and Shigenobu Nagamori to limit the liability for damages. (The outline of the agreement is as described on page 54 of the Business Report.) With regard to this proposal, subject to the approval of election of Messrs. Yun Ma, Tadashi Yanai and Shigenobu Nagamori, SBG will continue to conclude an agreement with each of them on the same terms and conditions.
- If the election of Messrs. Mark Schwartz and Yasir O. Al-Rumayyan as External Directors is approved, SBG will newly enter into agreements with each of them on the same terms and conditions.

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### Proposal 3: Election of Three Audit & Supervisory Board Members

Of the present five Audit & Supervisory Board Members, the terms of office of the four Audit & Supervisory Board Members, Messrs. Tatsuhiro Murata, Soichiro Uno, Koichi Shibayama and Hidekazu Kubokawa, will expire at the conclusion of this Annual General Meeting of Shareholders. It is proposed that the number of Audit & Supervisory Board Members be reduced by one and three Audit & Supervisory Board Members be elected.

SBG has obtained the consent of the Audit & Supervisory Board for this proposal.

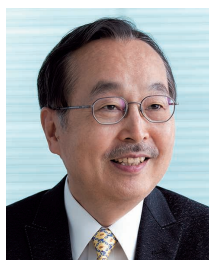
Audit & Supervisory Board Member nominees are as follows:

Candidate No.		Name		Current position at SBG
1	Newly elected	Masato Suzuki		Corporate Officer
2	Reelected	Soichiro Uno	External Audit & Supervisory Board Member	Audit & Supervisory Board Member
3	Reelected	Hidekazu Kubokawa	External Audit & Supervisory Board Member Independent Officer	Audit & Supervisory Board Member



Candidate  
No.

1



Newly  
elected

## Masato Suzuki

(Date of birth: January 11, 1953)

Number of shares held  
in SBG

15,000 shares

### Biography, titles, responsibilities and significant concurrent positions

Apr. 1975	Joined Mitsubishi Corporation
Dec. 1983	Master of Business Administration (MBA), School of Global Management (U.S.)
Feb. 2002	Joined SBG; General Manager of Legal department of SBG
July 2012	Corporate Officer; General Manager of Legal department of SBG
Oct. 2013	Corporate Officer; General Manager of Legal department of SBG; Group Compliance Officer
Sept. 2016	Corporate Officer, Head of Legal Unit; General Manager of Legal department of SBG; Group Compliance Officer (to present)

### Reason for nomination

Mr. Masato Suzuki has extensive knowledge and broad experience in business management and compliance through holding positions of Corporate Officer, Head of Legal Unit and General Manager, Legal department and Group Compliance Officer responsible for compliance issues of the Group as a whole. The Board would like to elect Mr. Suzuki as an Audit & Supervisory Board Member nominee in expectation of his contribution to the improvement of management soundness and transparency by conducting audits from a fair and objective viewpoint based on such knowledge and experience.

Candidate  
No.

2



Reelected

External  
Audit &  
Supervisory  
Board  
Member

## Soichiro Uno

(Date of birth: January 14, 1963)

Number of shares held  
in SBG

-

### Biography, titles, responsibilities and significant concurrent positions

Apr. 1988	Joined Nagashima & Ohno Law Office (currently Nagashima Ohno & Tsunematsu), admitted to practice law in Japan
Nov. 1993	Passed the bar examination of the State of New York, U.S.
Jan. 2000	Partner, Nagashima Ohno & Tsunematsu (to present)
June 2004	Audit & Supervisory Board Member of SBG (to present)

### Reason for nomination

Mr. Soichiro Uno has extensive knowledge and broad experience as a lawyer. The Board would like to elect him as an External Audit & Supervisory Board Member nominee to have him audit from an expert standpoint based on his knowledge and experience and to ensure audits are conducted from an independent perspective. Although Mr. Uno does not have management experience other than in the capacity as external executive, the Board believes that through his high level of expertise he can properly perform his duties as Audit & Supervisory Board Member of SBG. In addition, he has, as an External Audit & Supervisory Board Member of SBG, remained in office for 13 years at the conclusion of this Annual General Meeting of Shareholders.

Candidate  
No.

3

Number of shares held  
in SBG

**Hidekazu Kubokawa** (Date of birth: February 20, 1953)

51,310 shares



**Biography, titles, responsibilities and significant concurrent positions**

Nov. 1976	Joined Chuo Accounting Corporation
Aug. 1980	Registered as a certified public accountant
July 1986	Founded Kubokawa CPA Office (currently Yotsuya Partners Accounting Firm), Representative Partner (to present)
Mar. 1987	Registered as a certified tax accountant
Feb. 1989	Audit & Supervisory Board Member of SBG (to present)
Mar. 2000	Audit & Supervisory Board Member, Digital Arts Inc. (to present)
June 2005	Corporate Auditor, KYORITSU PRINTING CO., LTD. (to present)
June 2006	Auditor, Pado Corporation (to present)

Reelected

External  
Audit &  
Supervisory  
Board  
Member

Independent  
Officer

**Reason for nomination**

Mr. Hidekazu Kubokawa has extensive knowledge and broad experience as a certified public accountant and tax accountant. The Board would like to elect him as an External Audit & Supervisory Board Member nominee to have him audit from an expert standpoint based on his knowledge and experience and to ensure audits are conducted from an independent perspective. Although Mr. Kubokawa does not have management experience other than in the capacity as external executive, the Board believes that through his high level of expertise he can properly perform his duties as an External Audit & Supervisory Board Member of SBG. In addition, he has, as an External Audit & Supervisory Board Member of SBG, remained in office for 28 years and 4 months at the conclusion of this Annual General meeting of Shareholders.

(Notes) 1. There is no relationship of special interest between the Audit & Supervisory Board Member nominees and SBG.

2. When performing their duties as an Audit & Supervisory Board Member in order to have them perform their duties as expected and enable SBG to employ talented personnel, it is stipulated in the Articles of Incorporation that SBG may conclude an agreement with Audit & Supervisory Board Members to limit the liability for damages to the extent therein. SBG has concluded an agreement with Messrs. Soichiro Uno and Hidekazu Kubokawa to limit the liability for damages. (The outline of the agreement is as described on page 54 of the Business Report.) With regard to this proposal, subject to the approval of election of Messrs. Soichiro Uno and Hidekazu Kubokawa, SBG will continue to conclude an agreement with each of them on the same terms and conditions.

If the election of Mr. Masato Suzuki is approved, SBG will newly enter into an agreement with him on the same terms and conditions.

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## **Proposal 4: Issuance of Stock Acquisition Rights as Stock Options**

It is proposed to delegate to SBG's Board of Directors of determining the subscription requirements for the issuance of stock acquisition rights as stock options to directors, corporate officers and other management-class employees of SBG, as well as directors, corporate officers and other management-class employees of major subsidiaries of SBG, pursuant to the Articles 236, 238 and 239 of the Companies Act.

### 1. Reasons for the necessity of soliciting subscribers for the stock acquisition rights with particularly favorable conditions

By linking SBG and the Group's business results and the benefits received by directors and employees of the Group, SBG is able to give incentives to the persons to be allotted the rights and thereby improve results of the Group and to align the interest of those persons and SBG's shareholders to the extent possible. Therefore, it is proposed to issue the stock acquisition rights as stock options without compensation.

### 2. Outline of the issuance of the stock acquisition rights

#### (1) Maximum number of stock acquisition rights

60,000 units shall be the maximum number of stock acquisition rights.

6,000,000 shares of common stock shall be the maximum number of shares to be allotted upon exercise of stock acquisition rights. If the Number of Shares to be Allotted (as defined below) is adjusted in accordance with 1) of (3), the number is limited to the amount obtained by multiplying the Number of Shares to be Allotted after adjustment by the maximum number of stock acquisition rights above.

#### (2) No payment shall be required upon the issuance of stock acquisition rights.

#### (3) Features of the stock acquisition rights for which the subscription requirements of the stock acquisition rights may be determined under such delegation

##### 1) Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights

The class of shares to be issued or transferred upon exercise of the stock acquisition rights (the "Stock Acquisition Rights"; specifically indicating the stock acquisition rights to be issued under the conditions listed in this "2. Outline of the issuance of the stock acquisition rights;" the same applies in the entire section) shall be common stock of SBG. One hundred shares (the "Number of Shares to be Allotted") will be issued or transferred upon exercise of each of the Stock Acquisition Rights.

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The total number of shares to be issued or transferred upon exercise of total of the Stock Acquisition Rights is initially limited to 6,000,000.

Provided, however, that in the event SBG conducts, with respect to the shares of its common stock, a stock split or a consolidation of shares, the Number of Shares to be Allotted shall be adjusted using the following formula, and the maximum number of shares to be allotted upon exercise of Stock Acquisition Rights shall be adjusted accordingly. Such adjustment shall be made only to the Number of Shares to be Allotted for the Stock Acquisition Rights, which have not yet been exercised at the time of the adjustment. Any amount less than one share arising from the adjustment shall be rounded down.

$$\text{Number of Shares to be Allotted after adjustment} = \frac{\text{Number of Shares to be Allotted before adjustment}}{\text{Ratio of stock split or stock consolidation}} \times$$

Other than the above, in the event it becomes necessary to adjust the Number of Shares to be Allotted for the Stock Acquisition Rights, it may be adjusted by SBG within the scope deemed reasonable. Such adjustment shall be made only to the Number of Shares to be Allotted for the Stock Acquisition Rights, which have not yet been exercised at the time of the adjustment. Any amount less than one share arising from the adjustment shall be rounded down.

2) Amount of assets to be contributed upon exercise of the Stock Acquisition Rights

The assets to be contributed upon exercise of the Stock Acquisition Rights shall be cash, and the amount of the assets to be contributed upon exercise of each of the Stock Acquisition Rights shall be an amount obtained by multiplying the price per share to be issued or transferred upon exercise of the Stock Acquisition Rights hereafter defined (the "Exercise Price"), by the Number of Shares to be Allotted defined in 1) above.

The Exercise Price shall be an amount obtained by multiplying the average of the closing prices (the "Closing Prices") of regular way of common stock of SBG on the Tokyo Stock Exchange for each day (excluding days on which no trading was reported) of the month preceding the month to which the allotment date of the Stock Acquisition Rights belongs, by 1.05 (with any fraction of one yen rounded up).

However, if the amount is lower than the closing price on the allotment date of the Stock

Acquisition Rights (if no transaction is made on that day, the closing price on the day immediately preceding that date), the closing price on the allotment date of the Stock Acquisition Rights shall be the Exercise Price.

In the event SBG conducts, with respect to the shares of its common stock, a stock split or a consolidation of shares, the Exercise Price shall be adjusted using the following formula with any amount less than one yen arising from the adjustment rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of stock split or stock consolidation}}$$

In the event SBG newly issues shares of common stock or disposes of its treasury shares of common stock at a price below the current quotation (excluding the case upon exercise of Stock Acquisition Rights), the Exercise Price shall be adjusted using the following formula with all figures less than one yen arising from the adjustment rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of outstanding shares} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid per share}}{\text{Current quotation per share}}}{\text{Number of outstanding shares} + \text{Number of shares newly issued}}$$

The “number of outstanding shares” provided in the above formula is derived by deducting the number of treasury shares of common stock of SBG from the total number of issued shares of common stock of SBG. In the event SBG disposes of its treasury shares of common stock, the “number of shares newly issued” shall be replaced by the “number of treasury shares to be disposed of.”

Other than the above, in the event it becomes necessary to adjust the Exercise Price for the Stock Acquisition Rights, the Exercise Price may be adjusted by SBG within the scope deemed reasonable.

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3) Period during which the Stock Acquisition Rights are exercisable

Period during which the Stock Acquisition Rights are exercisable (the "Exercise Period") is 4 years from the date after 2 years elapsed from the first date of the month following the month to which the allotment date of the Stock Acquisition Rights belongs.

4) Matters concerning the capital and capital reserve to be increased

- (i) The amount of capital to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be one half (1/2) of the maximum amount of increases of the capital, etc. to be calculated according to Article 17, Paragraph 1 of the Corporate Accounting Regulations, with any amount less than one yen arising from such calculation to be rounded up.
- (ii) The amount of capital reserve to be increased due to the issuance of shares upon exercise of the Stock Acquisition Rights shall be the amount obtained by deducting the amount of capital to be increased set forth in (i) above, from the maximum amount of increases of the capital, etc. set forth in (i) above.

5) Restriction on the acquisition of the Stock Acquisition Rights through transfer

Any acquisition of the Stock Acquisition Rights through transfer shall require the approval by resolution of the Board of Directors of SBG.

6) Conditions for the exercise of the Stock Acquisition Rights

- (i) A holder of the Stock Acquisition Rights (the "Right Holder") may not exercise the Stock Acquisition Rights yet to be exercised if he/she loses all of his/her positions as directors or employees (including as a corporate officer) of SBG or subsidiaries of SBG (collectively, "Qualification for Exercise of Right").
- (ii) Regardless of (i) above, in case that the Right Holder loses his/her Qualification for Exercise of Right due to retirement at the convenience or for other reasons of SBG or its subsidiaries, he/she may exercise the Stock Acquisition Rights which he/she could exercise if he/she had not lost his/her Qualification for Exercise of Right only until the day on which 1 year from the loss of Qualification for Exercise of Right passes or the expiration of the Exercise Period, whichever is earlier, if SBG approves in writing, with due consideration of various facts, him/her to exercise the Stock Acquisition Rights.
- (iii) Regardless of (i) and (ii) above, in case that the Right Holder loses his/her Qualification for Exercise of Right (excluding the case of the Right Holder's death),

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he/she may exercise the Stock Acquisition Rights which he/she could exercise if he/she had not lost his/her Qualification for Exercise of Right if SBG approves in writing, with due consideration of various facts, him/her to exercise the Stock Acquisition Rights.

- (iv) Regardless of (i) above, in case the Right Holder dies, heirs of the Right Holder may exercise the Stock Acquisition Rights which the Right Holder could exercise if he/she was alive, for 1 year following the death of the Right Holder or the expiration of the Exercise Period, whichever is earlier.
- (v) Regardless of (i) and (iv) above, in case the Right Holder dies, heirs of the Right Holder may exercise the Stock Acquisition Rights which the Right Holder could exercise if he/she was alive if SBG approves in writing, after due consideration of the facts.
- (vi) Except as specified in (iv) and (v) above, it is not permitted to inherit the Stock Acquisition Rights. It is also not permitted to inherit the Stock Acquisition Rights again in case the heirs of the Right Holder die.
- (vii) In case, through the exercise of the Stock Acquisition Rights, the total number of issued shares of SBG exceeds the total number of authorized shares of SBG, or the total number of issued shares of common stock of SBG exceeds the total number of authorized shares of common stock of SBG, the Right Holder may not exercise the Stock Acquisition Rights.
- (viii) The Right Holder may not exercise the Stock Acquisition Rights yet to be exercised if he/she falls under any of sub-items (a) to (f).
  - (a) In case the Right Holder receives suspension or severer disciplinary punishment stipulated in the working regulations, when he/she is an employee (including as a corporate officer) of SBG or its subsidiaries.
  - (b) In case the Right Holder falls under any reason of disqualification stipulated in Article 331, Paragraph 1 of the Companies Act, when he/she is a director of SBG or its subsidiaries.
  - (c) In case the Right Holder, without due formality, carries out a transaction stipulated in Article 356, Paragraph 1, Item 1 of the Companies Act that competes with the interests of SBG or its subsidiaries, when he/she is a director of SBG or its subsidiaries.
  - (d) In case the Right Holder, without due formality, carries out a transaction stipulated in Article 356, Paragraph 1, Item 2 or 3 of the Companies Act that causes conflicts with the interest of SBG or its subsidiaries, when

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he/she is a director of SBG or its subsidiaries.

(e) In case the Right Holder is sentenced to imprisonment or severer penalty.

(f) In case the Right Holder carries out an act regarded as discreditable or disloyal to SBG or its subsidiaries or affiliates.

#### 7) Matters concerning the acquisition of Stock Acquisition Rights

- (i) SBG may acquire the Stock Acquisition Rights without compensation at the arrival of the day prescribed by the Board of Directors of SBG, in case an agenda for approval of one of the following is approved at the General Meeting of Shareholders of SBG (or, if approval of the General Meeting of Shareholders is not required, is resolved at the Board of Directors of SBG):
- a merger agreement, under which SBG shall be defunct,
  - an absorption-type company split agreement or an incorporation-type company split plan, under which SBG shall be split,
  - a share exchange agreement or a share transfer plan, under which SBG shall be a wholly-owned subsidiary.
- (ii) SBG may acquire the Stock Acquisition Rights without compensation at the arrival of the day prescribed by the Board of Directors of SBG in case the Right Holder comes to be unable to exercise all or part of the Stock Acquisition Rights in accordance with 6) above.
- (iii) SBG may acquire the Stock Acquisition Rights without compensation at the arrival of the day prescribed by the Board of Directors of SBG in case the Right Holder renounces all or part of the Stock Acquisition Rights.
- (iv) SBG may acquire the Stock Acquisition Rights without compensation at the arrival of the day prescribed by the Board of Directors of SBG in case the General Meeting of Shareholders of SBG approves the acquisition of all of the class shares subject to wholly call in accordance with Article 171, Paragraph 1 of the Companies Act.
- (v) SBG may acquire the Stock Acquisition Rights without compensation at the arrival of the day prescribed by the Board of Directors of SBG in case consolidation of shares regarding the class of shares to be issued upon exercise of the Stock Acquisition Rights (limited to those generating fractions less than one with the number obtained by multiplying the share unit number of said stock by the ratio of share consolidation) is approved at the General Meeting of Shareholders of SBG.
- (vi) SBG may acquire the Stock Acquisition Rights without compensation at the



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arrival of the day prescribed by the Board of Directors of SBG in case request for sale of shares by a special controlling shareholder is approved by the Board of Directors of SBG.

8) Treatment of the Stock Acquisition Rights upon reorganization

In case SBG conducts a merger (limited to the case where SBG is to be extinguished as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange or a share transfer (hereafter collectively referred to as the "reorganization"), stock acquisition rights of the companies listed in (a) to (e) of Article 236, Paragraph 1, Item 8 of the Companies Act (the "Reorganized Company") shall be delivered, in each of the above cases, to the Right Holders holding the Stock Acquisition Rights remaining at the effective time of the reorganization (the "Remaining Stock Acquisition Rights") according to the conditions (i) to (xi) described below. In this case, Remaining Stock Acquisition Rights shall be extinguished. Provided, however, that the foregoing shall be on the condition that delivery of stock acquisition rights of the Reorganized Company in accordance with the following conditions is stipulated in an absorption-type merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a stock change agreement, or a stock transfer plan.

- (i) Number of stock acquisition rights of the Reorganized Company to be delivered The identical number of stock acquisition rights to the number of the Remaining Stock Acquisition Rights held by the Right Holder shall be delivered respectively.
- (ii) Class of shares of the Reorganized Company to be issued or transferred upon exercise of stock acquisition rights  
Shall be shares of common stock of the Reorganized Company.
- (iii) Number of shares of the Reorganized Company to be issued or transferred upon exercise of stock acquisition rights  
Shall be determined in accordance with 1) above, based on the consideration of conditions for the reorganization and other factors.
- (iv) Amount of assets to be contributed upon exercise of stock acquisition rights  
Shall be determined in accordance with 2) above, based on the consideration of conditions for the reorganization and other factors.
- (v) Period during which stock acquisition rights are exercisable  
Shall be from commencing date of the Exercise Period stipulated in 3) above, or the

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effective date of the reorganization, whichever is later, to expiry date of the Exercise Period stipulated in 3) above.

- (vi) Conditions for the exercise of stock acquisition rights  
Shall be determined in accordance with conditions for the exercise of the Stock Acquisition Rights as stipulated in 6) above.
- (vii) Matters concerning the capital and capital reserve to be increased when shares are issued upon exercise of stock acquisition rights  
Shall be determined in accordance with 4) above.
- (viii) Restriction on acquisition of stock acquisition rights through transfer  
Acquisition of stock acquisition rights through transfer shall require the approval by the Reorganized Company.
- (ix) Conditions for acquisition of Stock Acquisition Rights  
Shall be determined in accordance with 7) above.
- (x) Treatment of stock acquisition rights upon the reorganization  
Shall be determined in accordance with 8).
- (xi) In case the number of shares to be delivered to the holders who have exercised stock acquisition rights includes any fraction less than one share, such fraction shall be rounded down.

9) Handling of fraction less than one share to be delivered

In case the number of shares to be delivered to the Right Holders who have exercised the Stock Acquisition Rights includes any fraction less than one share, such fraction shall be rounded down.

10) Matters concerning certificates of the Stock Acquisition Rights

Certificates of the Stock Acquisition Rights shall not be issued.

# NEWS FLASH

2016.4 ▶ 2017.3

2016.06

SB Energy Corp. started operations of its first large-scale wind farm, Wind Farm Hamada



2016.06

Launched *Y!mobile One Kyuppa Discount* campaign



2016.09

Consolidated UK-based ARM Holdings plc (“ARM”), a semiconductor chip designer possessing the world’s leading technology



2016.08

Completed share repurchase of ¥500.0 billion

2016.09

Started offering *Giga Monster*<sup>\*1</sup> campaign



2016.09

SoftBank Corp. ranked No. 1 in cloud service customer satisfaction (survey conducted by J.D. Power<sup>\*2</sup>)



2016.10

Retired 100 million shares of treasury stock

\*1 Flat-rate ¥6,000/month with a data cap of 20GB. Basic fees for flat-rate call and web usage fees are separately required.

\*2 Source: J.D. Power 2016 Japan Cloud Service Provider Customer Satisfaction Study. Study based on a total of 585 companies with 50 or more employees which introduce cloud groupware. [japan.jdpower.com](http://japan.jdpower.com)

2016.12

Announced investment of US\$1.0 billion in LEO satellite communications company OneWeb Ltd.



2017.02

Launched campaign for SoftBank smartphone users offering a 10x point bonus on purchases made via *Yahoo! Shopping* and *LOHACO*



2016.11

America's Cup, the world's top yacht race in which SoftBank Team Japan takes part, held for the first time in Asia in Fukuoka



2017.02

"Premium Friday" campaign was introduced by the SoftBank Group companies



2016.10

Announced establishment of the SoftBank Vision Fund



2017.03

Began renting Pepper free of charge to local governments and nonprofit organizations



2017.03

SB Drive Corp. won a contract to a pilot self-driving bus program in Okinawa under the strategic innovation program for autonomous driving system held by Cabinet Office, Government of Japan



## Status of the Group

### 1 Status of assets and profit and loss

Fiscal year (¥ million)	2013	2014	2015	2016
Net sales	6,666,651	8,504,135	8,881,777	8,901,004
Operating income	1,077,044	918,720	908,907	1,025,999
Net income attributable to owners of the parent	520,250	668,361	474,172	1,426,308
Total assets	16,690,127	21,034,169	20,707,192	24,634,212
Total equity	2,830,382	3,853,177	3,505,271	4,469,730
Equity attributable to owners of the parent	1,930,441	2,846,306	2,613,613	3,586,352
Ratio of equity attributable to owners of the parent to total assets (%)	11.6	13.5	12.6	14.6
Ratio of net income attributable to owners of the parent to equity attributable to owners of the parent (ROE) (%)	29.5	28.0	17.4	46.0

#### Per share (¥)

Basic earnings per share	436.95	562.20	402.49	1,287.01
Equity attributable to owners of the parent per share	1,624.33	2,393.47	2,278.85	3,292.40

- (Notes)
1. The Group prepares its consolidated financial statements based on International Financial Reporting Standards.
  2. The Group has adopted IFRIC 21 "Leases" from FY2014. As changes in the relevant accounting policies are applied retrospectively, financial data regarding the status of assets and profit and loss for FY2013 are shown after the retrospective application.
  3. As GungHo Online Entertainment, Inc. changed to an equity method associate from a subsidiary of SBG in FY2015, GungHo Online Entertainment, Inc. has been classified as a discontinued operation. In association with this, net sales and operating income for FY2014 have been revised.
  4. As Supercell Oy was excluded from the scope of consolidation of SBG in FY2016, Supercell Oy has been classified as a discontinued operation. In association with this, net sales and operating income for FY2015 have been revised. Net sales and operating income for FY2015 and FY2016 indicate the amounts for continuing operations and do not include those for discontinued operations.

## 2 Overview of operations for this fiscal year

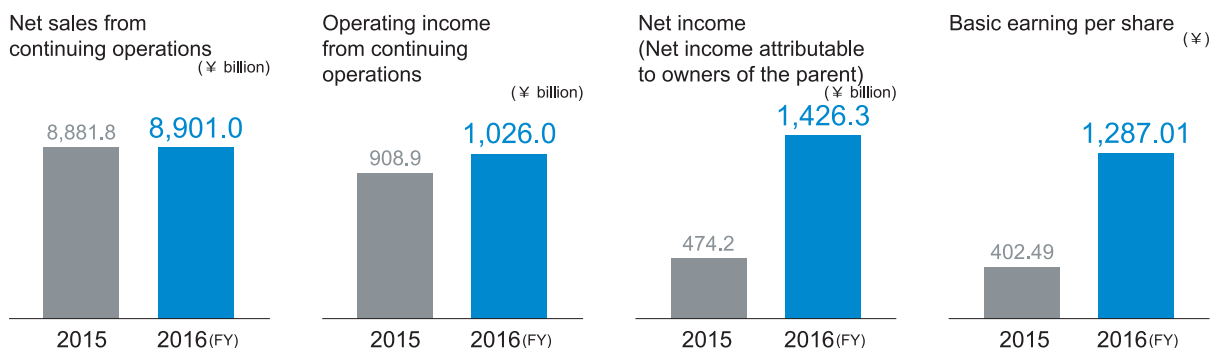
### 1) Results of operations

Net sales increased by ¥19.2 billion (0.2%) from FY2015 to ¥8,901.0 billion. Net sales of the Yahoo Japan segment and the Domestic Telecommunications segment increased by ¥201.4 billion and by ¥49.1 billion from FY2015, respectively. Net sales of the ARM segment, which was newly added in the second quarter of FY2016, were ¥112.9 billion. Net sales of the Yahoo Japan segment increased mainly due to the consolidation of ASKUL Corporation by Yahoo Japan Corporation in August 2015. Net sales of the Sprint segment increased in U.S. dollar terms, but declined in yen terms due to exchange fluctuations.

Operating income increased by ¥117.1 billion (12.9%) from FY2015 to ¥1,026.0 billion. Segment income increased by ¥124.9 billion in the Sprint segment and by ¥31.2 billion in the Domestic Telecommunications segment. In addition, the newly established ARM segment added ¥12.9 billion of segment income.

Meanwhile, segment income declined by ¥33.0 billion in the Yahoo Japan segment, reflecting the inclusion in FY2015 of gain from remeasurement relating to business combination of ¥59.4 billion for the consolidation of ASKUL Corporation. Segment loss of the Distribution segment deteriorated by ¥8.8 billion to ¥10.0 billion due to recording a ¥30.3 billion impairment loss on goodwill of Brightstar Global Group Inc.

Net income attributable to owners of the parent increased by ¥952.1 billion (200.8%) from FY2015 to ¥1,426.3 billion. This was mainly due to recording income after income tax of ¥28.2 billion from Supercell Oy (“Supercell”) in the period from April 1, 2016 to July 29, 2016, as well as after-tax gain on sale of Supercell shares of ¥526.6 billion (not recorded in FY2015), as net income from discontinued operations.



Finance cost grew by ¥26.6 billion from FY2015 to ¥467.3 billion, primarily due to an increase in interest expenses at SBG related to the issuance of straight bonds and hybrid bonds. Income on equity method investments decreased by ¥53.8 billion from FY2015 to ¥321.6 billion, mainly due to a decline in income on equity method investments related to Alibaba. Also recorded were a gain on sale of equity method affiliates of ¥238.1 billion associated with the sale of a portion of Alibaba shares, a loss on valuation of derivatives of ¥252.8 billion recorded mainly in relation to collar transactions included in the variable prepaid forward contract for Alibaba shares, and a loss on financial instruments at FVTPL<sup>\*1</sup> of ¥160.4 billion.

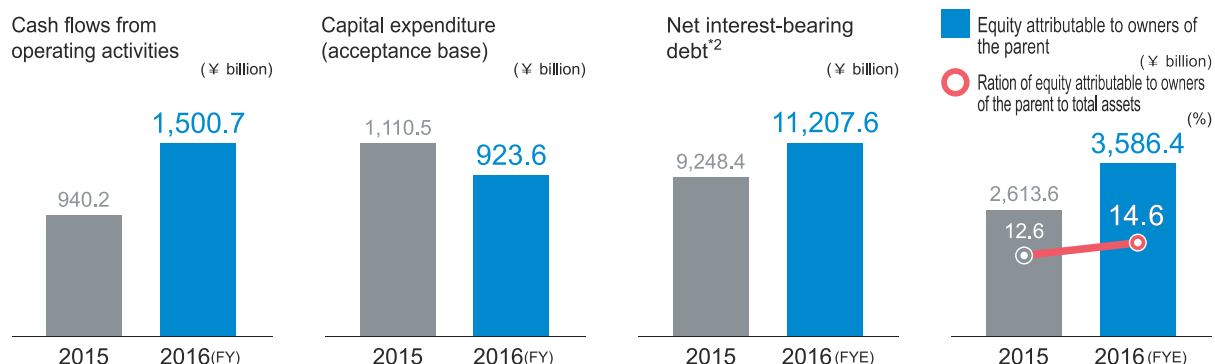
As a result, equity attributable to owners of the parent increased by ¥972.7 billion to ¥3,586.4 billion from the end of FY2015.

This was primarily due to an increase of ¥791.7 billion in retained earnings and a decrease of ¥247.0 billion in treasury stock due to retirement.

The ratio of equity attributable to owners of the parent to total assets rose 2.0 points to 14.6% from 12.6% at the end of FY2015.

#### Performance of Supercell

On July 29, 2016, the Group sold all of its shares in Supercell to an affiliate of Tencent Holdings Limited. Accordingly, Supercell's net income until July 29, 2016 is presented as discontinued operations, separately from continuing operations. Net income of Supercell for FY2015 has been revised retrospectively and presented under discontinued operations. Supercell ceased to qualify as SBG's subsidiary and was therefore excluded from the scope of consolidation on July 29, 2016 when the shares were transferred.



(Notes) 1. FVTPL (Fair Value Through Profit or Loss)

FVTPL is a class of financial instruments under IFRSs.

2. Net interest-bearing debt: interest-bearing debt - cash position  
Cash position: cash and cash equivalents + short-term investments recorded as current assets

## 2) Results by reportable segment<sup>1,2</sup>

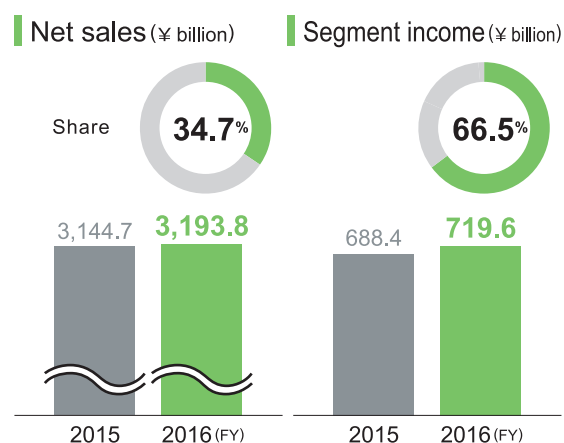


### Domestic Telecommunications

**Main businesses** (as of March 31, 2017)

- ▶ Provision of mobile communications services and sale of mobile devices
- ▶ Provision of broadband services to retail customers
- ▶ Provision of fixed-line telecommunications services to corporate customers

Net sales increased by 1.6% year on year to ¥3,193.8 billion and segment income increased by 4.5% year on year to ¥719.6 billion. Broadband revenue increased which accompanied subscriber growth for the *SoftBank Hikari* fiber-optic service, more than offsetting a decrease in mobile communications revenue. A decrease in average cost for sales commission fees for smartphones contributed to an increase in segment income.

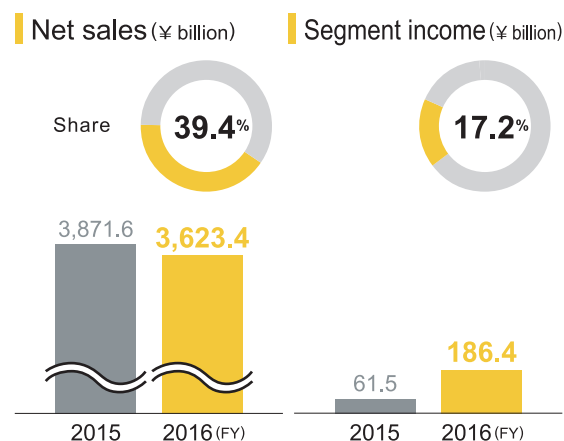


### Sprint

**Main businesses** (as of March 31, 2017)

- ▶ Provision of mobile communications and fixed-line telecommunications services in the U.S.
- ▶ Sale and lease of mobile devices and accessories in the U.S.

Net sales decreased by 6.4% year on year to ¥3,623.4 billion. Although net sales decreased in yen terms due to the stronger yen against the U.S. dollar compared to FY2015, net sales increased by US\$1,167 million (3.6%) in U.S. dollar terms. Segment income increased by 203.2% to ¥186.4 billion as a result of significant cost reductions.



(Notes) 1. Share of net sales or segment income for each reportable segment are calculated based on the total (before reconciliations) of net sales or segment income of each reportable segment and Others segment, respectively.  
 2. Following the acquisition of ARM, the ARM segment was established in FY2016. In the ARM segment, earnings reflect the results of ARM's operations since September 6, 2016.



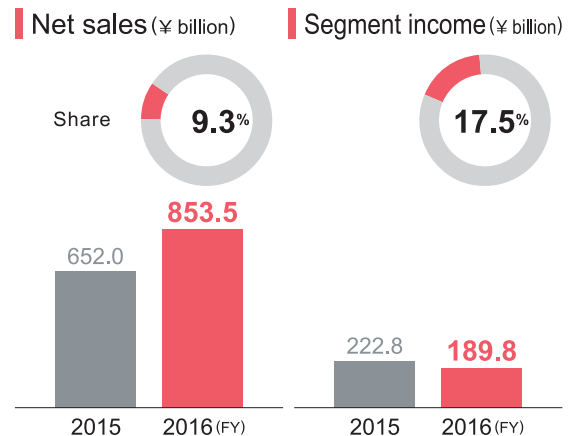


## Yahoo Japan

**Main businesses** (as of March 31, 2017)

- ▶ Internet advertising
- ▶ E-commerce business
- ▶ Membership services

Net sales increased by 30.9% year on year to ¥853.5 billion, and segment income decreased by 14.8% year on year to ¥189.8 billion. In addition to growth in advertising revenue, shopping-related transaction volume also increased primarily due to the consolidation of ASKUL Corporation in August 2015. Segment income decreased reflecting the inclusion in FY2015 of gain from remeasurement relating to business combination of ¥59.4 billion for the consolidation of ASKUL Corporation.



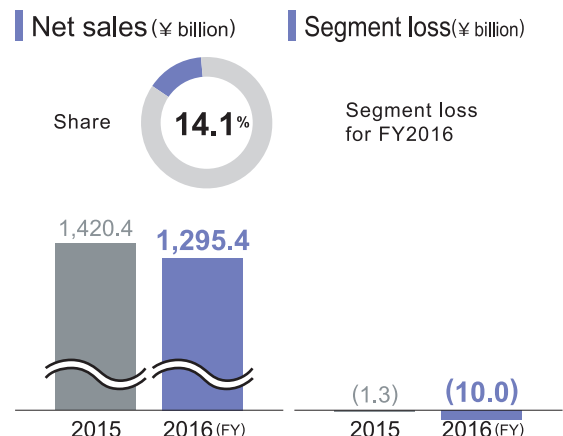
## Distribution

**Main businesses** (as of March 31, 2017)

- ▶ Distribution of mobile devices overseas
- ▶ Sale of IT-related products and mobile device accessories in Japan

Net sales decreased by 8.8% year on year to ¥1,295.4 billion, and segment loss was ¥10.0 billion. The decrease in revenue was largely due to the stronger yen from FY2015.

The segment recorded a ¥30.3 billion impairment loss on goodwill relating to U.S.-based Brightstar Global Group Inc.





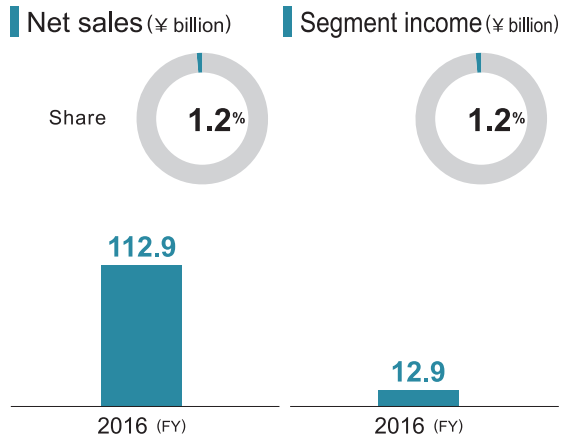
## ARM

**Main businesses** (as of March 31, 2017)

- ▶ **Design of microprocessor intellectual property and related technologies**
- ▶ **Sale of software tools**

Net sales was ¥112.9 billion, and segment income was ¥12.9 billion.

Number of royalty units (chips incorporating ARM technology) reported as shipped by ARM licensees has continuously shown a steady growth as it had over the previous years, and it marked 5.1 billion in the three months ended December 31, 2016, compared to 4.1 billion in the same period of the previous year.



**Main business** (as of March 31, 2017)

- ▶ **Fukuoka SoftBank HAWKS-related businesses, etc.**

(Note) 3. Number of shipments of royalty units are reported by licensees in the next quarter of actual shipments.

TOPICS

## Acquisition of a Key Player in the Coming IoT Era: ARM

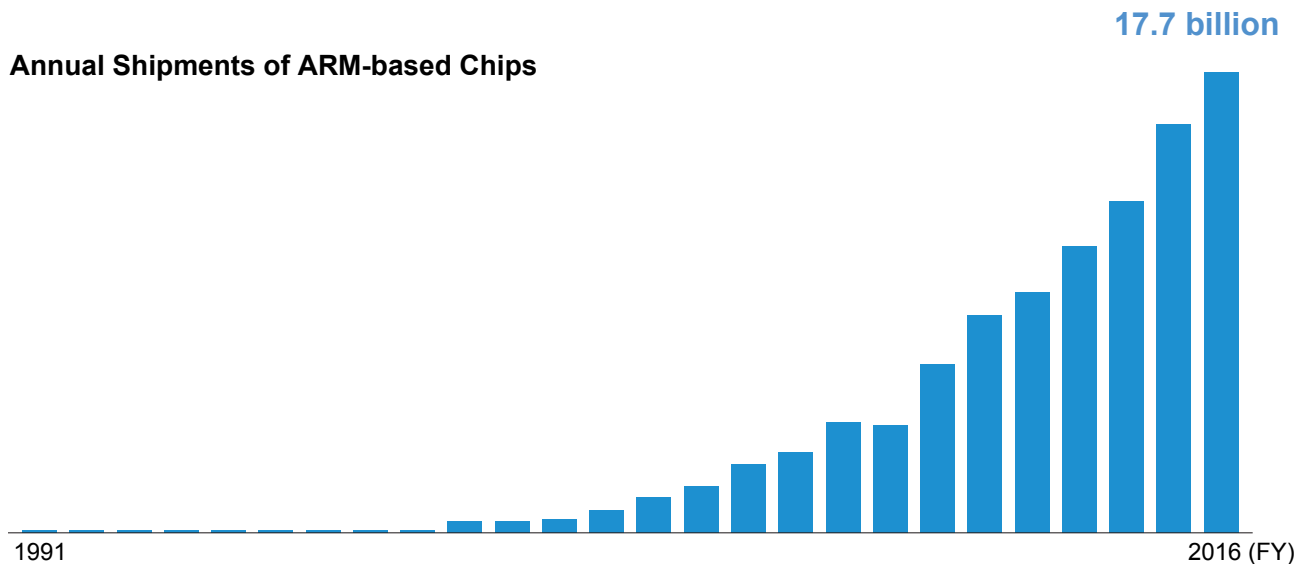
SBG acquired ARM in September 2016. We believe it will play a vital role in the IoT era.

### A Unique Business Model Specialized in Designing Technologies used in Semiconductor Chips

Founded in 1990, ARM is headquartered in Cambridge, UK. ARM has a unique business model specializing in the designing of processors used in semiconductor chips in spite of having its own manufacturing facilities. Energy efficiency and security are two major strengths of ARM's semiconductor design technology. ARM-based chips are widely used in the semiconductor chips from a number of manufacturers and available in a broad range of end markets such as smartphones and tablets, as well as various home appliances, automotive, and servers. A total of 17.7 billion\*<sup>1</sup> ARM-based chips were shipped worldwide in FY2016.

Since its foundation, 26 years ago, a cumulative total of 100 billion ARM-based chips have been shipped, and the next 100 billion is expected to be reached over the next four years (FY2017 to FY2020).

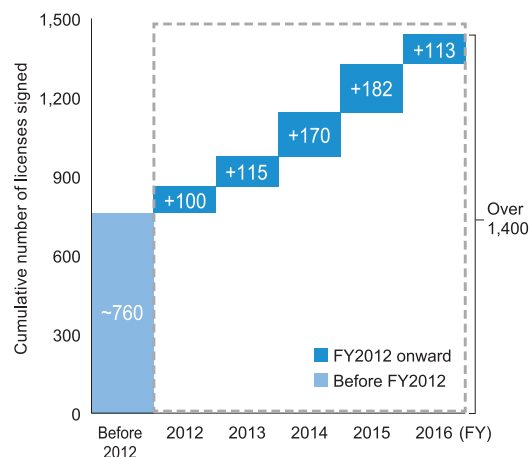
### Annual Shipments of ARM-based Chips



\*1 Source: ARM Holdings plc

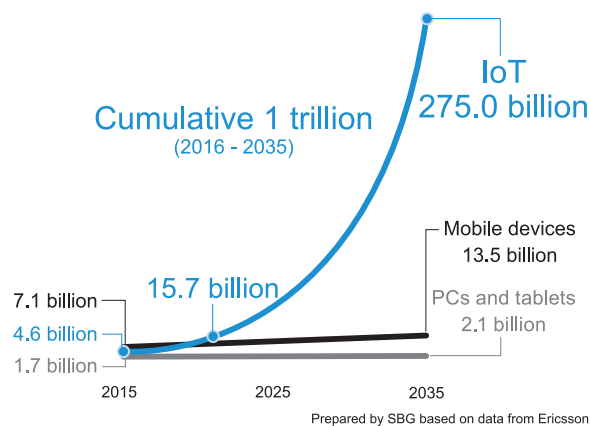
## Long-term Recurring Revenue Stream

ARM's revenue consists primarily of: (1) licenses as companies access ARM technology; (2) royalties arising from the sale of products based on ARM technology, typically based on a percentage of the chip price; and (3) sale of software tools. As of March 31, 2017, ARM had over 1,400 cumulative number of licenses signed, and it is adding at a rate of about 100 per year. Today's royalty revenue is generated by licenses signed several years ago, and licenses signed today will contribute to future royalty revenue.



## Providing Important Functions in the IoT Era

In the IoT era, it is expected that more than a trillion things worldwide will be connected to the Internet<sup>\*2</sup>. IoT requires the combination of energy-efficient microprocessors, with the capability to securely process information from local sensors, and telecommunications functions that transmit this information to remote servers. The Group, now including ARM, aims to contribute to people and the society by extensively providing these capabilities, and further expanding its revenues.



\*2 Estimated by SBG based on data from Ericsson. Cumulative number from 2016 to 2035.

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### 3) Corporate social responsibility (CSR)

#### Pepper Social Contribution Program

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SBG rent its personal robot called Pepper for three years free of charge to local governments and nonprofit organizations as part of a social contribution program.

##### **School Challenge**

In 2020, computer programming is planned to be a mandatory subject for all students. The goal of the *School Challenge* is to contribute to education that develops logical thinking, problem-solving abilities, and creativity of students by supporting educational activities preparing for computer programming. We have rented about 2,000 Peppers to 282 public elementary and junior high schools in 17 local governments, aiming to teach programming skills to a total of 91,000 students over three years.



##### **Social Challenge**

We rent Pepper to 28 specified non-profit corporations, general incorporated associations, and other organizations nationwide in order to help address social issues through the use of Pepper, including disaster relief, support for people with disabilities, senior welfare, and revitalization of local communities.



#### Short Working Hours Program

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SoftBank Corp. introduced a short working hours program in September 2015, which allows those who have difficulties working for long hours due to their disability to work less than 20 hours per week. We have 20 employees\* working under this program.

The goal of the short working hours program is to create a hiring system that offers an employment opportunity to anyone who has a will to work but does not have such an opportunity due to his/her disability. The program aims to help these people to succeed at work by leveraging their skills and abilities. To promote wider adoption of the program, we have published a guidance about the know-how for introducing such a program. We held presentation meetings in January 2017 for companies and organizations which planned to introduce the program.

\* As of the end of March 2017



Details about Short Working Hours Program  
[https://www.softbank.jp/en/corp/csr/various\\_needs/instance\\_01/#sec-06](https://www.softbank.jp/en/corp/csr/various_needs/instance_01/#sec-06)

#### 4) Capital expenditure

During FY2016, the Group executed capital expenditures to expand businesses such as the Domestic Telecommunications segment and the Sprint segment.

The breakdown of the capital expenditure by segment is as follows.

Name of segment	Amount invested (¥ million)
■ Domestic Telecommunications	320,579
■ Sprint	477,694
■ Yahoo Japan	64,727
■ Distribution	6,522
■ ARM	5,042
■ Others	47,847
Company-wide (in common)	1,181
Total	923,592

- (Notes)
1. Amounts indicate the amount of assets accepted.
  2. The amounts of capital expenditure do not include consumption taxes.
  3. The amounts of capital expenditure include investments in property and equipment, intangible assets, and long-term prepaid expenses associated with equipment.

The breakdown of major capital expenditure by reportable segment is as follows.

#### ■ Domestic Telecommunications segment

- Base station facilities
- Switching facilities
- Network facilities

#### ■ Yahoo Japan segment

- Servers and network-related equipment

#### ■ Sprint segment

- Base station facilities
- Network facilities
- Leased mobile devices

## 5) Financing activities

The amount of consolidated interest-bearing debt of the Group increased by ¥2,935.9 billion in FY2016. This is attributable mainly to ¥1 trillion in bridge loan financing associated with the acquisition of ARM, ¥964.0 billion increase in long-term borrowings at Sprint Corporation and its subsidiaries (collectively "Sprint"), and ¥715.4 billion increase in financial liabilities relating to sale of shares by variable prepaid forward contract based on sales of Alibaba shares. In addition, the Group sold and monetized a portion of its Alibaba shares and all of its Supercell shares at ¥359.7 billion and ¥769.8 billion, respectively. The outline of major transactions is as follows.

### (1) Borrowings

The amount of borrowings by the Group from financial institutions increased ¥2,129.7 billion in FY2016. This was mainly attributable to bridge loan financing for the purpose of acquiring ARM, and an increase in long-term borrowings at Sprint.

Company name	Description	Details
SoftBank Group Corp.	Increase of ¥960,577 million	Mainly from bridge loan financing associated with the acquisition of ARM
Sprint	Increase of ¥1,040,716 million	Mainly from execution of new borrowing
SoftBank Corp.	Increase of ¥84,011 million	Mainly from execution of securitization of receivables

#### ■ Financing of funds for acquiring ARM

SBG concluded on July 15, 2016 a bridge loan agreement for a maximum amount of ¥1 trillion, as part of the financing for the acquisition of ARM, and executed this contract on the same day.

#### ■ New borrowing by Sprint

Sprint executed, in October 2016, a financing of US\$3.5 billion through issuing secured bonds, collateralized by part of spectrum owned, and ¥382.9 billion has been recorded as borrowings through this transaction.

Sprint also concluded on February 3, 2017, a contract for borrowing US\$6.0 billion. Under this contract, Sprint executed a secured borrowing of US\$4.0 billion (¥448.8 billion) and establishing a secured revolving bank credit facility\* with a US\$2.0 billion credit line. The previous unsecured revolving bank credit facility with a US\$3.3 billion credit line has been replaced with this new facility.

(Note) A form of loan that allows borrowing within a certain limit in a specified period

#### ■ Status of the credit line facility

Upon the expiration of the term of the credit line facility structured in FY2015, a credit line facility was newly executed between SBG and a group of financial institutions including Mizuho

Bank, Ltd., Citibank Japan Ltd. and Crédit Agricole CIB as arrangers for a total amount of ¥178.5 billion in August 2016. As of the end of FY2016, there was no outstanding balance of the loan for the credit line facility.

#### ■ Securitization of Receivables by SoftBank Corp.

SoftBank Corp. is engaged in financing through securitization of installment sales receivables of mobile phones. Financing through securitization amounted to ¥550.1 billion at the end of FY2016, an increase of ¥84.4 billion year on year.

#### (2) Corporate bonds

Total outstanding balance of corporate bonds for FY2016 increased by ¥98.7 billion. This was mainly attributable to the issuance and redemption of corporate bonds by the Group. In FY2016, SBG issued a total of ¥971.0 billion in corporate bonds. Meanwhile, SBG and Sprint redeemed corporate bonds of ¥470.0 billion and US\$3,300 million in face value, respectively.

Major issuance and redemption of corporate bonds by the Group are as follows:

Date of issue	Company name	Description	Issue value
April 20, 2016	SoftBank Group Corp.	49 <sup>th</sup> Unsecured Straight Corporate Bond	¥20,000 million
April 20, 2016	SoftBank Group Corp.	50 <sup>th</sup> Unsecured Straight Corporate Bond	¥30,000 million
September 16, 2016	SoftBank Group Corp.	1 <sup>st</sup> Unsecured Subordinated Bonds with Interest Deferrable Clause and Early Redeemable Option (with a Subordination Provision) <sup>*1</sup>	¥55,600 million
September 16, 2016	SoftBank Group Corp.	2 <sup>nd</sup> Unsecured Subordinated Bonds with Interest Deferrable Clause and Early Redeemable Option (with a Subordination Provision) <sup>*1</sup>	¥15,400 million
September 30, 2016	SoftBank Group Corp.	3 <sup>rd</sup> Unsecured Subordinated Bonds with Interest Deferrable Clause and Early Redeemable Option (with a Subordination Provision) <sup>*1</sup>	¥400,000 million
March 8, 2017	SoftBank Group Corp.	52 <sup>nd</sup> Unsecured Straight Corporate Bond	¥50,000 million
March 16, 2017	SoftBank Group Corp.	51 <sup>st</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	¥400,000 million



Date of redemption	Company name	Description	Redemption value
June 17, 2016	SoftBank Group Corp.	36 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	¥100,000 million
December 1, 2016	Sprint Communications, Inc. <sup>*2</sup>	6.00% Senior Notes due 2016	US\$2,000 million
December 1, 2016	Clearwire Communications LLC <sup>*3</sup>	14.75% Secured Notes due 2016	US\$300 million
March 1, 2017	SoftBank Group Corp.	42 <sup>nd</sup> Unsecured Straight Corporate Bond	¥70,000 million
March 1, 2017	Sprint Communications, Inc. <sup>*2</sup>	9.125% Senior Notes due 2017	US\$1,000 million
March 10, 2017	SoftBank Group Corp.	41 <sup>st</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	¥300,000 million

(Notes) 1. Interest deferrable refers to a clause whereby the issuer (SBG) can, at its discretion, defer part or the whole of the repayment of interest. Early redeemable option refers to a clause whereby the option of early redemption is, if opted for by the issuer, made available after the expiry of a predetermined period of time. Subordination provision refers to a special clause whereby in the event of the issuer's liquidation, bankruptcy, corporate reorganization or civil rehabilitation under Japanese jurisdiction, or its liquidation or bankruptcy proceedings outside Japanese jurisdiction, performance of its specific obligations in association with the payment of obligations in the liquidation procedure of the issuer, is considered to be of lesser priority than that of general obligations (including subordinated bonds issued in 2014 and 2015 by the issuer), but equivalent in substance to the preference share of the highest priority (if issued in the future).

2. Sprint Communications, Inc. is a subsidiary of Sprint Corporation.

3. Clearwire Communications LLC is a subsidiary of Sprint Corporation.

### (3) Finance lease

The Group raised funds through leases for capital expenditure mainly for the Domestic Telecommunications segment. Outstanding balance of lease obligations amounted to ¥1,245.9 billion at the end of FY2016.

### (4) Monetization of the shares held

SBG monetized a portion of its Alibaba shares and all of its Supercell shares held through its subsidiaries.

#### ■ Conclusion of variable prepaid forward contract regarding Alibaba shares and disposal thereof

SBG executed a transaction to monetize a portion of Alibaba shares held by its subsidiary in Singapore for US\$10.0 billion. This transaction comprised sale of Alibaba shares equivalent to US\$3.4 billion (¥359.7 billion), and financing of US\$6.6 billion through the issuance of Mandatory Exchangeable Trust Securities (the "Trust Securities") by the newly formed Mandatory Exchangeable Trust (the "Trust").

On June 10, 2016, a wholly-owned subsidiary of SBG concluded with the newly founded Trust a variable prepaid forward contract regarding the sale of Alibaba shares to the Trust, and received proceeds of US\$5.4 billion (¥578.4 billion) as advances received for sale\*.

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Meanwhile, the Trust issued, through utilizing the Alibaba shares scheduled to be delivered based on the variable prepaid forward contract, Trust Securities amounting to US\$6.6 billion, which are subject to mandatory exchange to American depositary shares of Alibaba. Financial liabilities relating to sale of shares by variable prepaid forward contract was ¥715.4 billion as of the end of FY2016.

(Note) Advances received for sale were calculated by subtracting the amount of the U.S. Treasury securities purchased by the Trust to fund the interest payment to the purchasers of the Trust Securities, as well as the various expenses associated with the issuance, from a total amount of issuance of Trust Securities of US\$6.6 billion.

#### ■ **Sale of Supercell shares**

SBG sold, on July 29, 2016, all of its Supercell shares held via its subsidiaries in Finland and the UK at ¥769.8 billion.

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**6) Status of transfer of business, absorption by corporate split-up or establishment by corporate split-up**

Not applicable.

**7) Status of acquisition of business of other companies**

Not applicable.

**8) Status of succession of rights and obligations regarding other corporate business through merger by absorption or absorption by corporate split-up**

Effective April 24, 2017 after the closing of FY2016, two subsidiaries of SBG, SoftBank Group International GK and SoftBank Group Japan GK, executed an absorption-type merger with the former as the surviving company.

**9) Status of holding of shares of other companies and acquisition and disposition of stock acquisition rights**

- (1) SBG acquired, on September 5, 2016, ARM and converted it into a consolidated subsidiary.
- (2) SBG sold, on June 13, 2016 and July 11, 2016, a portion of its shares in Alibaba held via its Singaporean subsidiary. Alibaba will remain an equity method associate of SBG after the sale.
- (3) SBG sold, on July 29, 2016, all of the shares it held in Supercell via subsidiaries in Finland and the UK. As a result, Supercell ceased to qualify as a SBG's subsidiary and was therefore excluded from the scope of consolidation on the same date.

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## **10) Other important matters related to the status of the Group**

The Group founded the SoftBank Vision Fund and plans to start its activities in the near future. The fund will invest in businesses with high growth potential mainly in the technology sector, regardless of the size of the company or whether it is listed or not. An overseas subsidiary of SBG will manage the fund as its general partner, advised by another overseas subsidiary which will be registered with the Financial Conduct Authority of the UK, while SBG will invest in this fund as a limited partner. The Group plans to invest at least US\$25.0 billion (including in-kind investment) in this fund.

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## 11) Important management issues

### 1. Success of the SoftBank Vision Fund

The Group will pursue maximizing returns in the SoftBank Vision Fund while maintaining its own sustainable growth as one of investors in the fund. An overseas subsidiary of SBG will manage the fund as its general partner, advised by another overseas wholly-owned subsidiary in the UK following such entity's registration with the UK Financial Conduct Authority.

### 2. Improvement of Net Leverage Ratio

The Group's net leverage ratio\* was 4.2 times as of the end of FY2016, deteriorating by 0.4 point from the end of FY2015 due to the acquisition of ARM in September 2016. The Group expects to deleverage through expanding adjusted EBITDA, primarily from the Sprint segment, and reducing interest-bearing debt using the abundant free cash flow generated by the Domestic Telecommunications segment, while also participating in investment in the SoftBank Vision Fund.

(Note) Net leverage ratio: net interest-bearing debt / adjusted EBITDA (including adjustments related to the issuance of hybrid bonds)

Net interest-bearing debt = interest-bearing debt – cash position (financial liabilities relating to sale of Alibaba shares by variable prepaid forward contract are deducted from interest-bearing debt)

### 3. Expanding ARM's Share in Growth Markets

Processor designer ARM's technologies have its strength in energy-efficiency and are currently used in over 95% of the main chip for smartphones. The global semiconductor industry market, to which ARM-based products and services belong, is expected to grow steadily over time. ARM plans to further increase its research and development to expand its share in other markets with a growth potential, such as network infrastructure, servers, automotive, IoT, and AI, whilst also maintaining its share in smartphones.

### 4. Steady Improvement of Sprint

The U.S. mobile telecommunications market approaches maturity and the industry is gathering momentum for consolidation involving media companies and cable television companies. Under such circumstances, Sprint currently aims to return to a growth trajectory on a stand-alone basis by increasing subscribers, while promoting large-scale cost reductions.

With a second consecutive year of net addition for postpaid phone subscribers, which are its largest source of revenue and profit, Sprint's U.S. dollar-based net sales for FY2016 exceeded the previous fiscal year. In cost reductions, Sprint achieved significant reductions for FY2016 mainly in network-related expenses, by increasing its operational efficiency. By continuing to add subscribers and reduce costs, Sprint will proceed to steadily increase the future adjusted EBITDA and operating income.

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## 5. Stable Generation of Free Cash Flow in the Domestic Telecommunications Business

Japan's mobile communications market approaches maturity and MVNOs\* are rapidly gaining market share taking advantage of lower price plans. Under such circumstances, the Group aims generate a stable free cash flow from the domestic telecommunications business by streamlining its capital investment and focusing on expanding the number of subscribers for smartphones. Smartphones are the largest source of revenue and profit of the business and also play an important role as a gateway to Internet services.

Specifically, the Group is focusing on promoting the *Home Bundle Discount Hikari Set* as a means of acquiring and retaining smartphone subscribers. The *Home Bundle Discount Hikari Set* offers a discount on the communication charges of mobile communications services to customers subscribing to both mobile and broadband services such as *SoftBank Hikari*. The Group is also aggressively promoting *Y!mobile*, a sub-brand of its mobile communications service, to address the expansion of low-cost smartphone market. In other initiatives, the Group is strengthening a tie-up between mobile communications service and Yahoo Japan Corporation especially at e-commerce, aimed at encouraging its smartphone subscribers to use *Yahoo! JAPAN* services even more.

(Note) MVNOs (Mobile Virtual Network Operators) provide mobile telecommunications services by leasing networks from telecom carriers.

### 3 Major subsidiaries (as of March 31, 2017)

Company name	Capital	Voting rights <sup>1</sup> (%)	Principal business activities
SoftBank Corp.	¥177,251 million	99.99 [99.99]	Provision of mobile communications services, sales of mobile devices, provision of fixed-line telecommunications and broadband services
Sprint Corporation	US\$39,892 thousand	83.02 [83.02]	Provision of mobile communications/fixed-line telecommunications services, sales of mobile devices and accessories in the U.S.
Yahoo Japan Corporation	¥8,428 million	42.96 [6.56]	Internet advertising, e-commerce business and membership services
Brightstar Global Group Inc.	US\$3 thousand	87.14	Wholesale and distribution of mobile devices and accessories, logistics and provision of related services
ARM Holdings plc	£717 thousand	100 [1.42]	Design of microprocessor intellectual property and related technologies, and sale of software tools
SoftBank Group Capital Limited <sup>2</sup>	US\$1,508 thousand	100	Holding company of overseas subsidiaries, etc.

(Notes) 1. The figures in brackets represent percentage of indirectly owned voting rights.

2. The company name was changed from SoftBank Group International Limited on April 27, 2016.

#### 4 Major business offices (as of March 31, 2017)

Company name	Major offices
SoftBank Group Corp.	Head office: Minato-ku, Tokyo
SoftBank Corp.	Head office: Minato-ku, Tokyo Sales office: Chuo-ku, Sapporo; Aoba-ku, Sendai; Nakamura-ku, Nagoya; Kita-ku, Osaka; Kanazawa, Ishikawa Pref; Naka-ku, Hiroshima; Takamatsu, Kagawa Pref; Hakata-ku, Fukuoka
Sprint Corporation	Head office: Kansas, U.S. Sales office: Virginia, Georgia, Texas, New Jersey, Florida
Yahoo Japan Corporation	Head office: Chiyoda-ku, Tokyo
Brightstar Global Group Inc.	Head office: Delaware, U.S. Sales office: Florida; Illinois; Victoria, Australia; Minato-ku, Tokyo; Hertfordshire, UK
ARM Holdings plc	Head office: Cambridgeshire, UK Sales office: California, U.S.; Shanghai, China; Kohoku-ku, Yokohama
SoftBank Group Capital Limited*	Head office: London, UK

(Note) The company name was changed from SoftBank Group International Limited on April 27, 2016.



## 5 Employees (as of March 31, 2017)

Name of segment	Number of employees (people)	
■ Domestic Telecommunications	17,899	[4,618]
■ Sprint	24,845	[3,706]
■ Yahoo Japan	11,013	[2,868]
■ Distribution	7,019	[905]
■ ARM	4,748	[92]
■ Others	2,611	[728]
Company-wide (in common) <sup>3</sup>	267	[7]
Total	68,402	[12,924]

- (Notes)
1. The number of employees is the number of persons at work.
  2. The figures in brackets in the "Number of employees" column show the annual average number of temporary employees hired.
  3. Mainly the number of persons at work in SBG

## 6 Status of major lenders (as of March 31, 2017)

Lenders	Amount of loans (¥ million)
Mizuho Bank, Ltd.	522,147
Sumitomo Mitsui Banking Corporation	452,652
S-lender General Incorporated Association	400,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	337,009
Japan Bank for International Cooperation	164,409
Sumitomo Mitsui Trust Bank, Limited	161,153
Mitsubishi UFJ Trust and Banking Corporation	138,451

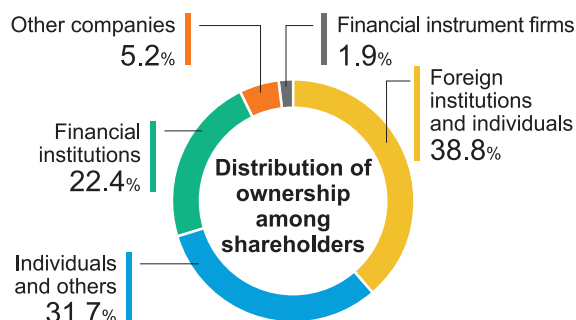
## Status of Softbank Group Corp.

### 1 Status of shares (as of March 31, 2017)

1) Shares authorized 3,600,000,000 shares

2) Shares issued 1,100,660,365 shares  
(Including 11,378,076 shares of treasury stock)

3) Number of shareholders 214,465



### 4) Principal shareholders

Name of shareholders	Number of shares held (thousands)	Percentage of total shares issued (%)
Masayoshi Son	231,205	21.23
The Master Trust Bank of Japan, Ltd. (Trust Account)	84,509	7.76
Japan Trustee Services Bank, Ltd. (Trust Account)	64,041	5.88
JP MORGAN CHASE BANK 380055	42,071	3.86
Japan Trustee Services Bank, Ltd. (Trust Account 5)	16,323	1.50
CBNY – GOVERNMENT OF NORWAY	13,865	1.27
THE BANK OF NEW YORK MELLON SA/NV 10	12,352	1.13
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	12,102	1.11
Japan Trustee Services Bank, Ltd. (Trust Account 1)	12,088	1.11
Japan Trustee Services Bank, Ltd. (Trust Account 2)	11,967	1.10

- (Notes)
- On October 31, 2016, 100,000,000 shares of treasury stock were retired.
  - Percentage of total shares issued is calculated by deducting treasury stock (11,378,076 shares).
  - Of the above numbers of shares held, those held by The Master Trust Bank of Japan, Ltd., Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd. are all related to trust operations.
  - As for principal shareholders, the number of shares held effectively by Mr. Masayoshi Son, verified by SBG, is presented as has been hitherto on a combined basis (by means of name-based aggregation), while those held by other principal shareholders are presented precisely as reported in the register of shareholders.

## 2 Status of Stock Acquisition Rights (as of March 31, 2017)

### 1) Status of Stock Acquisition Rights held by SoftBank Group Corp.'s Directors issued as a remuneration for discharge of duties

Title	Name of stock acquisition rights (date of issuance)	Number of stock acquisition rights	Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights	Exercise price (per share)	Exercise period	Number of stock acquisition right holder
Director	SoftBank Group Corp. July 2016 Stock Acquisition Rights (July 28, 2016)	2,500	Common stock 250,000 shares	¥6,159	August 1, 2018 to July 31, 2022	1

### 2) Status of Stock Acquisition Rights issued to employees as a remuneration for discharge of duties in this fiscal year

Title	Name of stock acquisition rights (date of issuance)	Number of stock acquisition rights	Class and number of shares to be transferred upon exercise of the stock acquisition rights	Exercise price (per share)	Exercise period	Number of people granted
Corporate officers and employees of SBG	SoftBank Group Corp. July 2016 Stock Acquisition Rights (July 28, 2016)	5,220	Common stock 522,000 shares	¥6,159	August 1, 2018 to July 31, 2022	44
	SoftBank Group Corp. February 2017 Stock Acquisition Rights (February 27, 2017)	950	Common stock 95,000 shares	¥8,891	March 1, 2019 to February 28, 2023	4
Directors of subsidiaries of SBG	SoftBank Group Corp. July 2016 Stock Acquisition Rights (July 28, 2016)	9,900	Common stock 990,000 shares	¥6,159	August 1, 2018 to July 31, 2022	11
Corporate officers and employees of subsidiaries of SBG	SoftBank Group Corp. July 2016 Stock Acquisition Rights (July 28, 2016)	25,070	Common stock 2,507,000 shares	¥6,159	August 1, 2018 to July 31, 2022	629

### 3) Status of other Stock Acquisition Rights

Not applicable.

### 3 Status of Corporate Officers

#### 1) Status of Directors and Audit & Supervisory Board Members (as of March 31, 2017)

Name	Title	Area of responsibility and status of significant concurrent position
Masayoshi Son	Chairman & CEO	Chairman, SoftBank Corp. Chairman of the Board, Sprint Corporation Director, Yahoo Japan Corporation Director, Alibaba Group Holding Limited Chairman and Executive Director, ARM Holdings plc
Ken Miyauchi	Representative Director, President & COO	President & CEO, SoftBank Corp. Director, Yahoo Japan Corporation
Ronald D. Fisher	Director	Vice Chairman of the Board, Sprint Corporation Chairman, Brightstar Global Group Inc. Director and President, SoftBank Holdings Inc. Director, ARM Holdings plc
Yun Ma	Director	Executive Chairman, Alibaba Group Holding Limited
Manabu Miyasaka	Director	President and Representative Director, Yahoo Japan Corporation
Tadashi Yanai	Director	Chairman, President & CEO, FAST RETAILING CO., LTD. Chairman, President & CEO, UNIQLO CO., LTD. Director and Chairman, G.U. CO., LTD.
Shigenobu Nagamori	Director	Chairman of the Board, President & Chief Executive Officer, Nidec Corporation Member of the Board of Directors and Chairman, Nidec-Read Corporation Member of the Board of Directors and Chairman, Nidec Copal Electronics Corporation Member of the Board of Directors and Chairman, Nidec Sankyo Corporation Member of the Board of Directors and Chairman, Nidec-Shimpo Corporation Member of the Board of Directors and Chairman, Nidec Elesys Corporation

Name	Title	Status of significant concurrent position
Tatsuhiko Murata	Full-time Audit & Supervisory Board Member	-
Maurice Atsushi Toyama	Full-time Audit & Supervisory Board Member	Certified public accountant, State of California, U.S.
Soichiro Uno	Audit & Supervisory Board Member	Partner, Nagashima Ohno & Tsunematsu
Koichi Shibayama	Audit & Supervisory Board Member	Certified public accountant / Certified tax accountant Advisor, PwC Tax Japan
Hidekazu Kubokawa	Audit & Supervisory Board Member	Certified public accountant / Certified tax accountant Representative Partner, Yotsuya Partners Accounting Firm Audit & Supervisory Board Member, Digital Arts Inc. Auditor, KYORITSU PRINTING CO., LTD. Auditor, Pado Corporation

- (Notes)
1. Directors, Messrs. Tadashi Yanai and Shigenobu Nagamori are External Directors.
  2. Full-time Audit & Supervisory Board Member, Mr. Maurice Atsushi Toyama and Audit & Supervisory Board Members, Messrs. Soichiro Uno, Koichi Shibayama, and Hidekazu Kubokawa are External Audit & Supervisory Board Members.
  3. Directors, Messrs. Tadashi Yanai and Shigenobu Nagamori, Full-time Audit & Supervisory Board Member, Mr. Maurice Atsushi Toyama and Audit & Supervisory Board Members Messrs. Koichi Shibayama and Hidekazu Kubokawa are independent officers as stipulated by the Tokyo Stock Exchange, and SBG has notified the Exchange accordingly.
  4. Full-time Audit & Supervisory Board Member, Mr. Maurice Atsushi Toyama is a certified public accountant, State of California, U.S., Audit & Supervisory Board Members, Messrs. Koichi Shibayama and Hidekazu Kubokawa are certified public accountants and certified tax accountants, and they have considerable knowledge for finance and accounting.
  5. Messrs. Nikesh Arora and Mark Schwartz retired from the position of Directors on June 22, 2016.
  6. Director, Mr. Ken Miyauchi assumed the position of Representative Director, President & COO on June 22, 2016.

## 2) Amount of remuneration paid to Directors and Audit & Supervisory Board Members

### (1) Total amount of remuneration paid by each title

Title	Number of people	Amount of remuneration for this fiscal year
Directors	7 people	¥367 million
Audit & Supervisory Board Members	5 people	¥58 million
Total	12 people	¥425 million

- (Notes)
1. The number of people above includes remuneration paid to two Directors who retired on June 22, 2016.
  2. The amount of remuneration above includes expenses recorded in this fiscal year for stock acquisition rights granted as stock options (¥117 million for Directors).
  3. Of the amount above, the aggregate remuneration paid to External Officers for this fiscal year was ¥69 million for 7 people.
  4. Aside from the above, there was no remuneration paid to External Officers as Directors and Audit & Supervisory Board Members of the subsidiaries of SBG for this fiscal year.
  5. Pursuant to the resolution of the 10<sup>th</sup> Annual General Meeting of Shareholders held on June 28, 1990, the annual aggregate remuneration paid to Directors shall not exceed ¥800 million, and that for Audit & Supervisory Board Members shall not exceed ¥80 million. Pursuant to the resolution of the 36<sup>th</sup> Annual General Meeting of Shareholders held on June 22, 2016, stock acquisition rights shall be allotted to Directors as stock options in an amount not exceeding ¥1,000 million per year separately from the aforementioned remuneration.

(2) Total consolidated remuneration paid to those whose total consolidated remuneration is ¥100 million or more

Name	Amount of consolidated remuneration (¥ million)	Title	Company name	Subtotals for each type of remuneration (¥ million)				
				Basic remuneration	Bonus	Share-based payment	Expenses resulting from resignation	Others
Masayoshi Son	139	Director	SoftBank Group Corp.	117	22	0	0	0
Nikesh Arora	10,346	Director	SoftBank Group Corp.	33	0	0	0	0
			SB Group US, Inc.	245	0	1,196	8,847	0
			Sprint Corporation	25	0	0	0	0
Ken Miyauchi	617	Director	SoftBank Group Corp.	45	0	117	0	0
			SoftBank Corp.	75	380		0	0
Ronald D. Fisher	2,427	Director	SOFTBANK Inc.	249	11	1,564	0	9
			Galaxy Investment Holdings, Inc.	0	0	486	0	0
			Sprint Corporation	54	0	54	0	0
Manabu Miyasaka	105	Director	Yahoo Japan Corporation	55	50	0	0	0

- (Notes)
1. Consolidated remuneration includes remuneration as Directors and Audit & Supervisory Board Members at SBG and its major subsidiaries.
  2. Mr. Nikesh Arora retired from the position of Director of SBG at the conclusion of the Annual General Meeting of Shareholders held on June 22, 2016. The above figure is the consolidated remuneration corresponding to his service period.
  3. Resignation expenses consist of expenses in which payment amounts are defined and expenses in which payment amounts are to be defined depending on the future share price of SBG's shares. Expenses based on the share price will be settled in two installments, scheduled on June 2017 and March 2018. Payment amount will be determined based on the share price of June 2017 and March 2018, respectively. The Group measured the expenses based on the share price as of June 30, 2016, and recorded the entire expense for the three-month period ended June 30, 2016. The expenses will be remeasured every quarter end based on the stock price until the determination of payment amount, and the changes will be recognized through profit or loss. The expenses were ¥3,830 million for FY2016.  
In addition to the above resignation expense, the Group purchased the shares of associate companies from Mr. Nikesh Arora for ¥10,744 million, which the Group previously granted to him in December 2014. Purchase price by the Group was determined based on negotiation with reference to the recent transaction price.

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### 3) Description of limited liability agreement

SBG and each of its non-executive Directors Messrs. Yun Ma, Tadashi Yanai and Shigenobu Nagamori, as well as its Audit & Supervisory Board Members, have concluded a contract to limit liability for damage stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with Paragraph 1, Article 427 of the Companies Act.

The amount of limit of liability for damage is stipulated in the relevant contract as ¥10 million or the minimum amount of limit of liability that the relevant laws and regulations stipulate, whichever is higher.

### 4) Items on External Officers

#### 1. Relationship with companies where External Officers hold a significant concurrent position

SBG has transactions relating to legal advice and other matters with Nagashima Ohno & Tsunematsu, where Audit & Supervisory Member Mr. Soichiro Uno holds a significant concurrent position, and has transactions relating to tax consulting and other matters with PwC Tax Japan, where Audit & Supervisory Member Mr. Koichi Shibayama holds a significant concurrent position. However, the transaction amounts with the respective companies are insignificant, accounting for less than 0.1% of selling, general and administrative expenses of SBG.

#### 2. Relationship with specific parties such as major business partners

Not applicable.

### 3. Major activities for this fiscal year

Title	Name	Attendance to Board of Directors meeting	Attendance to Audit & Supervisory Board meeting	Major activities
Director	Tadashi Yanai	100% Attended 15 out of 15 meetings	-	Makes remarks to support business judgments and decision making from a viewpoint of CEO of the world's leading apparel manufacturer and retailer with extensive knowledge of and broad experience in corporate management and business strategies.
Director	Shigenobu Nagamori	100% Attended 15 out of 15 meetings	-	Makes remarks to support business judgments and decision making based on his extensive knowledge and broad experience of corporate management, business strategies, M&A and turning businesses around as CEO of the world's leading comprehensive motor manufacturer.
Full-time Audit & Supervisory Board Member	Maurice Atsushi Toyama	100% Attended 15 out of 15 meetings	100% Attended 11 out of 11 meetings	Makes remarks based on his extensive knowledge and experience as a certified public accountant, State of California, U.S.
Audit & Supervisory Board Member	Soichiro Uno	93.3% Attended 14 out of 15 meetings	100% Attended 11 out of 11 meetings	Makes remarks based on his extensive knowledge and experience as a lawyer.
Audit & Supervisory Board Member	Koichi Shibayama	100% Attended 15 out of 15 meetings	100% Attended 11 out of 11 meetings	Makes remarks based on his extensive knowledge and experience as a certified public accountant and tax accountant.
Audit & Supervisory Board Member	Hidekazu Kubokawa	93.3% Attended 14 out of 15 meetings	90.9% Attended 10 out of 11 meetings	Makes remarks based on his extensive knowledge and experience as a certified public accountant and tax accountant.

(Note) Number of attendance excludes the number of the Board of Directors meetings held in writing or electronically.



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## 4 Status of Independent Auditor

### 1) Name

Deloitte Touche Tohmatsu LLC

### 2) Amount of remuneration to be paid

Amount of remuneration that SBG should pay in this fiscal year	
a. Amount of remuneration for the services pursuant to Paragraph 1, Article 2 of the Certified Public Accountant Act	¥441 million
b. Amount of remuneration for the services in addition to the services pursuant to Paragraph 1, Article 2 of the Certified Public Accountant Act	¥82 million
Aggregate amount of cash and other profits to be paid by SBG and its subsidiaries	¥1,560 million

- (Notes)
1. As the audit agreement between the Independent Auditor and SBG does not stipulate that the remuneration for auditing services be classified into remuneration for the audit based on the Financial Instruments and Exchange Act and the remuneration for the audit based on the Companies Act, there is no classification practically between the two kinds of remuneration. Therefore, the amount described in a. is the aggregate amount of the aforementioned remuneration.
  2. Description of services in addition to the services pursuant to Paragraph 1, Article 2 of the Certified Public Accountant Act:  
Mainly financial investigation on M&As.
  3. Deloitte&Touche LLP audits Sprint Corporation, out of significant subsidiaries of SBG. Deloitte LLP audits ARM Holdings plc.
  4. The Audit & Supervisory Board, based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, reviewed and examined the plan details of the audit conducted by the Independent Auditor, the performance status of accounting audit duties, and the basis for calculating remuneration estimates, and from the results, has given consent prescribed in Paragraph 1, Article 399 of the Companies Act for the remuneration paid to the Independent Auditor.

### 3) Decision-making policy of dismissal or not reappointing of Independent Auditor

The Independent Auditor may be dismissed by the Audit & Supervisory Board with unanimity of Audit & Supervisory Board Members when the Independent Auditor corresponds to any of Paragraph 1, Article 340 of the Companies Act.

Other than those cases above, the Audit & Supervisory Board shall submit a proposal on dismissal or not reappointing the Independent Auditor to the Annual General Meeting of Shareholders when it is acknowledged that the execution of appropriate audit is difficult due to the occurrence of an event which impairs the qualification or independency of the Independent Auditor.

### 4) Description on limited liability agreement

Not applicable.

## 5 Overview of system to ensure appropriateness of the operations and its implementation status

The overview of the system to ensure appropriateness of the operations and its implementation status is made available on SBG's website (<https://www.softbank.jp/>), pursuant to the applicable laws and Article 14 of the Articles of Incorporation of SBG.

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(Note) Within this Business Report amounts less than stated units are rounded, and ratios less than stated units are rounded.

(Translation)

## Consolidated Financial Statements

### Consolidated Statement of Financial Position

(As of March 31, 2017)

(Amounts less than one million yen are rounded.)

Account	Millions of yen	Account	Millions of yen
<b>&lt;ASSETS&gt;</b>		<b>&lt;LIABILITIES&gt;</b>	
<b>Current assets</b>	<b>¥ 5,723,975</b>	<b>Current liabilities</b>	<b>¥ 5,226,923</b>
Cash and cash equivalents	2,183,102	Interest-bearing debt	2,694,093
Trade and other receivables	2,121,619	Trade and other payables	1,607,453
Other financial assets	794,689	Other financial liabilities	13,701
Inventories	341,344	Income taxes payables	256,218
Other current assets	283,221	Provisions	56,362
		Other current liabilities	599,096
<b>Non-current assets</b>	<b>18,910,237</b>	<b>Non-current liabilities</b>	<b>14,937,559</b>
Property, plant, and equipment	3,977,254	Interest-bearing debt	12,164,277
Goodwill	4,175,464	Other financial liabilities	287,229
Intangible assets	6,946,639	Defined benefit liabilities	108,172
Investments accounted for using the equity method	1,670,799	Provisions	138,730
Other financial assets	1,552,267	Deferred tax liabilities	1,941,380
Deferred tax assets	404,994	Other non-current liabilities	297,771
Other non-current assets	182,820	<b>Total liabilities</b>	<b>20,164,482</b>
		<b>&lt;EQUITY&gt;</b>	
		<b>Equity attributable to owners of the parent</b>	<b>3,586,352</b>
		Common stock	238,772
		Capital surplus	245,706
		Retained earnings	2,958,355
		Treasury stock	(67,727)
		Accumulated other comprehensive income	211,246
		<b>Non-controlling interests</b>	<b>883,378</b>
		<b>Total equity</b>	<b>4,469,730</b>
<b>Total assets</b>	<b>¥ 24,634,212</b>	<b>Total liabilities and equity</b>	<b>¥ 24,634,212</b>

(Millions of yen; amounts are rounded to the nearest million yen.)

# Consolidated Statement of Income

(Fiscal year ended March 31, 2017)

(Amounts less than one million yen are rounded.)

Millions of yen	
<b>Continuing operations</b>	
<b>Net sales</b>	<b>¥ 8,901,004</b>
Cost of sales	(5,472,238)
<b>Gross profit</b>	<b>3,428,766</b>
Selling, general, and administrative expenses	(2,277,251)
Gain from remeasurement relating to business combination	18,187
Other operating loss	(143,703)
<b>Operating income</b>	<b>1,025,999</b>
Finance cost	(467,311)
Income on equity method investments	321,550
Gain on sales of shares of associates	238,103
Derivative loss	(252,815)
Loss from financial instruments at FVTPL	(160,419)
Other non-operating income	7,419
<b>Income before income tax</b>	<b>712,526</b>
Income taxes	207,105
<b>Net income from continuing operations</b>	<b>¥ 919,631</b>
<b>Discontinued operations</b>	
Net income from discontinued operations	554,799
Net income	1,474,430
<b>Net income attributable to:</b>	
Owners of the parent	1,426,308
Non-controlling interests	48,122

(Millions of yen; amounts are rounded off to the nearest million yen.)

(Translation)

## Non-consolidated Financial Statements

### Balance Sheet

(As of March 31, 2017)

(Millions of yen)

Account	Amount	Account	Amount
<b>&lt;ASSETS&gt;</b>		<b>&lt;LIABILITIES&gt;</b>	
<b>Current assets</b>	<b>¥1,293,754</b>	<b>Current liabilities</b>	<b>¥2,335,458</b>
Cash and deposits	1,121,640	Short-term loans payable	1,593,974
Accounts receivable - trade	49,848	Current portion of long-term loans payable	448,200
Prepaid expense	1,935	Commercial papers	80,000
Short-term loans receivable	43,021	Current portion of bonds	120,000
Other current assets	77,311	Accounts payable - other	22,771
<b>Non-current assets</b>	<b>11,217,345</b>	Accrued expenses	23,283
<b>Property and equipment, net</b>	<b>8,468</b>	Income taxes payable	2,547
Assets for rent	6,154	Deferred tax liabilities	40,975
Buildings	1,880	Provision for bonuses	849
Tools, furniture and fixtures	90	Other current liabilities	2,858
Land	337	<b>Non-current liabilities</b>	<b>6,512,549</b>
Other	7	Bonds payable	4,318,373
<b>Intangible assets, net</b>	<b>888</b>	Long-term loans payable	2,153,400
Trademark right	75	Deferred tax liabilities	14,025
Software	743	Asset retirement obligations	5,363
Other intangibles	70	Other liabilities	21,388
		<b>Total liabilities</b>	<b>8,848,007</b>
<b>Investments and other assets</b>	<b>11,207,988</b>	<b>&lt;NET ASSETS&gt;</b>	
Investment securities	404,354	<b>Shareholders' equity</b>	<b>3,706,258</b>
Shares of subsidiaries and associates	6,922,190	<b>Capital stock</b>	<b>238,772</b>
Investments in consolidated and affiliated Godo Kaisha and partnerships	2,620,174	<b>Capital surplus</b>	<b>472,079</b>
Long-term loans receivable	1,247,360	Legal capital surplus	472,079
Other assets	17,165	<b>Retained earnings</b>	<b>3,063,134</b>
Less: Allowance for doubtful accounts	(3,255)	Legal retained earnings	1,414
<b>Deferred assets</b>	<b>44,714</b>	Other retained earnings	3,061,720
Bond issuance cost	44,714	Retained earnings brought forward	3,061,720
		<b>Less: Treasury shares</b>	<b>(67,727)</b>
		<b>Valuation and translation adjustments</b>	<b>(469)</b>
		Valuation difference on available-for-sale securities	(447)
		Deferred gains or losses on hedges	(22)
		<b>Subscription rights to shares</b>	<b>2,016</b>
		<b>Total net assets</b>	<b>3,707,806</b>
<b>Total assets</b>	<b>¥12,555,813</b>	<b>Total liabilities and net assets</b>	<b>¥12,555,813</b>

Amounts less than one million yen are rounded to the nearest million.

# Statement of Income

(For the fiscal year from April 1, 2016, to March 31, 2017)

(Millions of yen)

Account	Amount	
<b>Net sales</b>		<b>¥46,312</b>
<b>Cost of sales</b>		<b>—</b>
<b>Gross profit</b>		<b>46,312</b>
<b>Selling, general and administrative expenses</b>		<b>37,718</b>
<b>Operating income</b>		<b>8,595</b>
<b>Non-operating income</b>		<b>3,045,145</b>
Interest income	45,428	
Dividend income	2,941,717	
Foreign exchange gain, net	50,618	
Other non-operating income	7,381	
<b>Non-operating expenses</b>		<b>182,784</b>
Interest expense	38,653	
Interest on bonds	94,717	
Other non-operating expenses	49,415	
<b>Ordinary income</b>		<b>2,870,956</b>
<b>Extraordinary income</b>		<b>63,999</b>
Gain on sales of investment securities	102	
Gain on sales of shares of subsidiaries and associates	63,898	
<b>Extraordinary loss</b>		<b>116,780</b>
Loss on sales of shares of subsidiaries and associates	17	
Loss on valuation of investment securities	2,704	
Loss on valuation of shares of subsidiaries and associates	114,059	
<b>Income before income taxes</b>		<b>2,818,176</b>
Income taxes-current		31,345
Income taxes-deferred		40,882
<b>Net income</b>		<b>¥2,745,949</b>

Amounts less than one million yen are rounded to the nearest million.



## Audit Reports

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### INDEPENDENT AUDITOR'S REPORT

May 15, 2017

To the Board of Directors of  
SoftBank Group Corp.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Masayuki Nakagawa

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Masayuki Yamada

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Ryo Sakai

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2017 of SoftBank Group Corp. (the "Company") and its consolidated subsidiaries, and the consolidated statement of income and statement of changes in equity for the fiscal year from April 1, 2016 to March 31, 2017, and the related notes.

#### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating

(Translation)

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the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Audit Opinion**

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2017, and the results of their operations for the year then ended.

**Interest**

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

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## INDEPENDENT AUDITOR'S REPORT

May 15, 2017

To the Board of Directors of  
SoftBank Group Corp.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Masayuki Nakagawa

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Masayuki Yamada

Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant:

Ryo Sakai

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements, namely, the balance sheet as of March 31, 2017 of SoftBank Group Corp. (the "Company"), and the related statements of income and changes in equity for the fiscal year from April 1, 2016 to March 31, 2017, and the related notes and the accompanying supplemental schedules.

### Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the accompanying



supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Audit Opinion**

In our opinion, the non-consolidated financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2017, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

**Interest**

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

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## Audit Report

With respect to the Directors' performance of their duties during the business year from April 1, 2016 to March 31, 2017, the Audit & Supervisory Board has prepared this Audit Report after deliberations, as unanimous opinion of all Audit & Supervisory Board Members based on the Audit Report prepared by each Audit & Supervisory Board Member, and hereby report as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board
  - (1) The Audit & Supervisory Board has established the audit policies in this fiscal year, audit plan, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the Independent Auditors regarding the status of performance of their duties, and requested explanations as necessary.
  - (2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies in this fiscal year, audit plan, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, the Internal Audit and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and has conducted audit by the following methods.
    - (a) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets. With respect to the major subsidiaries including overseas subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors and Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.
    - (b) Each Audit & Supervisory Board Member received regular reports from Directors and employees concerning the architecture and implementation of (i) the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors listed within the Business Report, during the performance of their duties, complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of corporate group consisting of a joint stock company (*kabushiki kaisha*) and its subsidiaries, and (ii) the systems (internal control systems) based on such resolutions, and requested further information as necessary, making remarks when appropriate.
    - (c) Each Audit & Supervisory Board Member monitored and verified whether the Independent Auditors maintained its independence and properly conducted its audit, received a report from the Independent Auditors on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the Independent Auditors that it had established a "system to ensure that the performance of the duties of the Independent Auditors was properly conducted" (the matters listed in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, each Audit & Supervisory Board Member examined the Business Report and the accompanying supplemental schedules, and the Consolidated Financial Statements (the Consolidated Statements of Financial Position, the Consolidated Statements of Income, the Consolidated Statements of Changes in Equity, and notes to Consolidated Financial Statements, which were prepared in accordance with the provision of the latter clause in the Paragraph 1, Article 120 of the Ordinance on Accounting of Companies that prescribes certain omissions of disclosure items required under the International Financial Reporting Standards) as well as, the Non-consolidated Financial Statements (the Balance Sheet, the Statement of Income and Statement of Changes in Equity, and notes to Non-consolidated Financial Statements) and the accompanying supplemental schedules thereto, for the business year under consideration.

2. Results of Audit
  - (1) Results of Audit of Business Report, etc.
    - (a) We acknowledge that the Business Report and the accompanying supplemental schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
    - (b) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
    - (c) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the information provided in the Business Report or the Directors' performance of their duties concerning the internal control systems.

(2) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of Non-consolidated Financial Statements and their Accompanying Supplemental Schedules

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

May 15, 2017

Audit & Supervisory Board of SoftBank Group Corp.

Full-time Audit & Supervisory Board Member: Tatsuhiro Murata (Seal)  
Full-time Audit & Supervisory Board Member: Maurice Atsushi Toyama (Seal)  
External Audit & Supervisory Board Member: Soichiro Uno (Seal)  
External Audit & Supervisory Board Member: Koichi Shibayama (Seal)  
External Audit & Supervisory Board Member: Hidekazu Kubokawa (Seal)

(Note) Full-time Audit & Supervisory Board Member Maurice Atsushi Toyama, and Audit & Supervisory Board Members: Soichiro Uno, Koichi Shibayama, and Hidekazu Kubokawa are External Audit & Supervisory Board Members set forth in Item 16, Article 2 and Paragraph 3, Article 335 of the Companies Act of Japan.

(Note) Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements provided with the Notice as Reference are a subset of statements utilized by the Audit & Supervisory Board during the course of preparing the Audit Report. "Overview of system to ensure appropriateness of the operations and its implementation status." Consolidated Statements of Changes in Equity, Notes to Consolidated Financial Statements, Statement of Changes in Equity, and Notes to Non-consolidated Financial Statements are made available on our website (<https://www.softbank.jp/>), pursuant to the applicable laws and Article 14 of the Articles of Incorporation of SoftBank Group Corp. Accordingly, these notes are not provided in the Notice or the Appendix.

# Overview of Stock Administration

Company name (Corporate name)	SoftBank Group Corp.
Location of head office	1-9-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7303 Phone: +81-3-6889-2000 Email: sb@softbank.co.jp
Business year	From April 1 to March 31 of the next year
Year-end dividend record date	March 31
Interim dividend record date	September 30
Annual general meeting of shareholders	Every year in June
Stock exchange registration	Tokyo Stock Exchange, First Section
Reporting method	Electronic Reporting on the below site. <a href="https://www.softbank.jp/">https://www.softbank.jp/</a> (available only in Japanese) In the event that electronic public notices cannot be provided due to accidents or other unavoidable circumstances, public notice shall be given in the Nihon Keizai Shimbun.

**■ Procedures to change registration details such as address and name, to designate bank accounts to receive dividend payment transfers, and to submit “My Number” individual number under The Social Security and Tax Number System**

**For shareholders who have accounts at securities firms, etc.:**

Please contact the securities firm where you opened your account.

**For shareholders who have special accounts:**  
Please contact Transfer Agent Division, Mitsubishi UFJ Trust and Banking Corporation. (Contact info is shown below.) You may also contact branches of Mitsubishi UFJ Trust and Banking Corporation.

**■ Procedures to receive unclaimed dividends**

For procedures relating to past dividend payment periods, please contact branches of Mitsubishi UFJ Trust and Banking Corporation.

**■ For inquiries to administrators of registers of shareholders and special account management institutions**

Please contact:  
Transfer Agent Division, Mitsubishi UFJ Trust and Banking Corporation  
7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081  
**Phone: 0120-232-711 (Toll free)**  
(Business hours: 9:00-17:00 [weekdays, excluding Saturdays, Sundays and holidays])

- (Notes) 1. The address of administrators of registers of shareholders and special account management institutions will change as below after August 14, 2017, following their office relocation.  
1-1 Nikkocho, Fuchu, Tokyo
2. For inquiries to special account management institutions related to the stocks of the former ACCA Networks Co., Ltd., please contact:  
Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited  
2-8-4 Izumi, Suinami-ku, Tokyo 168-0063  
Phone: 0120-782-031 (Toll free) (Business hours: 9:00-17:00 [weekdays, excluding Saturdays, Sundays and holidays])

**Frequently asked questions regarding dividends**

- Q1** What should I do if I have not received dividends, but do not have a dividend receipt?  
**A1** Please contact the address above if you have lost your dividend receipt. We will send you the procedure form.
- Q2** What should I do if the payment period for my dividend receipt (bank handling period) has expired?  
**A2** Please affix your seal to the “Claim seal” section on the front of the dividend receipt, and fill out the required items in the “Designated remittance method” section on the back of the receipt, and send it to the contact address above. Or, affix your seal to the “Claim seal” section on the front of the dividend receipt, and bring it to the counter at branches of Mitsubishi UFJ Trust and Banking Corporation. Please be advised that if the receipt period stated on the back of the dividend receipt has expired, you will not be able to receive dividends even if you have the dividend receipt.

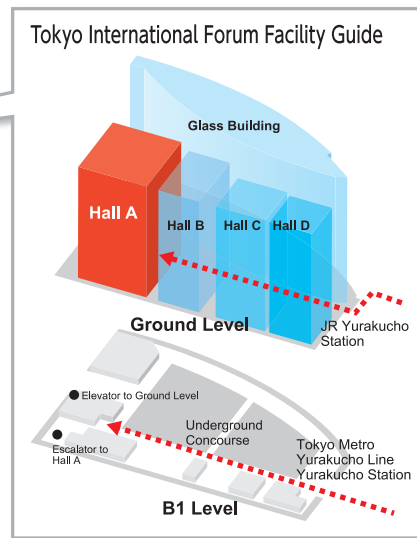
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# Access Map



## Hall A, Tokyo International Forum

5-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo Phone: 03-5221-9000



### Transport Information

JR ● Yamanote Line  
● Keihin Tohoku Line  
Yurakucho Station  
3-minute walk from International Forum Exit

Tokyo Metro  
● Yurakucho Line  
Yurakucho Station  
3-minute walk from Exit D5 via B1 concourse

〈Reference〉	
JR Tokyo Station	5-minute walk from Marunouchi South Exit (Connected by B1 Concourse to Keiyo Line Tokyo Station Exit 4)
Tokyo Metro	Hibiya Line Hibiya Station ▶ 5-minute walk / Ginza Station ▶ 6-minute walk Ginza Line Ginza Station ▶ 7-minute walk / Kyobashi Station ▶ 7-minute walk Chiyoda Line Hibiya Station ▶ 7-minute walk / Nijubashimae Station ▶ 5-minute walk Marunouchi Line Ginza Station ▶ 5-minute walk
Toei Subway	Mita Line Hibiya Station ▶ 5-minute walk

\*Please refrain from driving to the venue as no parking space has been provided.

We will no longer distribute gifts on the day of the Annual General Meeting of Shareholders. We ask for your understanding on this matter.