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## Corporate Governance Report

Last Update: June 29, 2022

### **SoftBank Group Corp.**

Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO

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<https://group.softbank/en/>

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

### **1. Basic views**

SoftBank Group Corp. ("SBG") and its subsidiaries (collectively, the "Company") are guided by a fundamental concept of "free, fair, and innovative," and a corporate philosophy of "Information Revolution – Happiness for everyone." The Company aims to be a provider of essential technologies and services to people around the world while maximizing its enterprise value.

SBG, the holding company of the SoftBank Group (the "Group"), recognizes that it is vital to maintain effective corporate governance in order to realize this vision. SBG continues to strengthen governance within the Group by taking measures such as formulating the SoftBank Group Charter to share the Group's fundamental concept and corporate philosophy and devising Group Company Management Regulations of the SoftBank Group to set out the management policy and management framework for group companies, as well as establishing compliance with the SoftBank Group Code of Conduct to prescribe policies to be followed by the Company and its Board Directors and employees, among other matters.

Further, responses to issues pertaining to sustainability, including climate change, respect for human rights, appropriate treatment of employees and working environments, and building fair and appropriate relationships with business partners, are some of the key management issues for the achievement of a sustainable society and the enhancement of enterprise value over the medium to long term. Recognizing them not only as risks to be prevented or mitigated but also as opportunities that will help to enhance enterprise value, SBG has also formulated the SoftBank Group Sustainability Principles to set forth matters necessary for the Company to appropriately carry out sustainability activities, the Environmental Policy to set out the principles to take the global environment into

shareholders and creditors, customers, business partners, employees, and local communities consideration when conducting corporate activities, and the Human Rights Policy to set out the standards for prohibiting discrimination, harassment, forced labor, child labor and so on in order to maintain a healthy work environment, both inside and outside the workplace. Further, in the belief that, as an investing company, the appropriate evaluation of the sustainability-related risks and opportunities of its investee companies will contribute greatly to sustainable growth, SBG has formulated the Portfolio Company Governance and Investment Guidelines Policy and incorporates sustainability perspectives into its investment processes. Moreover, it has established the Supplier Code of Conduct, which sets forth the standards that the Company expects its suppliers to comply with, thereby aiming to contribute together with suppliers to achieving sustainable development and solving environmental and social issues. SBG will grow together with stakeholders, including shareholders and creditors, customers, business partners, employees, and local communities (governments, administrative agencies, regional communities, NPOs, NGOs, etc.) and fulfill its responsibility as a company that leads the Information Revolution, by actively contributing to society through its businesses in an aim to achieve a sustainable society.

SBG's corporate governance system centers on the Board of Directors, Audit & Supervisory Board Members, and the Audit & Supervisory Board. Five of the nine Board Directors are External Board Directors (four of whom are Independent External Board Directors) to ensure robust mutual monitoring between the Board Directors, and a majority of the members of the Nominating & Compensation Committee, which is a voluntary advisory body to the Board of Directors, are Independent External Board Directors to ensure objectivity and transparency concerning the appointment and dismissal and compensation of Board Directors. Furthermore, all of the four Audit & Supervisory Board Members are External Audit & Supervisory Board Members to ensure independent auditing functions, thereby strengthening the monitoring of management. In addition, as part of its continued efforts to strengthen its corporate governance, SBG made changes to its Board of Directors and appointed Corporate Officers in November 2020, in its aim to separate the management decision-making function from the business execution function to clarify the persons responsible for business execution.

## **Basic guidelines**

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

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

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

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

SBG endeavors to build good relationships and cooperate appropriately with all stakeholders, including shareholders and creditors, customers, business partners, employees, and local communities (government, administrative agencies, regional communities, NPOs, NGOs, etc.), in order to contribute to creating and enhancing enterprise value over the medium to long term. To this end, the Board of Directors and management team seek to establish a corporate culture where the opinions and positions of stakeholders are respected by formulating the SoftBank Group Sustainability Principles, the SoftBank Group Code of Conduct, the Human Rights Policy, and the Environmental Policy, and by ensuring that the Group and its officers and employees comply with these standards. SBG has also formulated the Supplier Code of Conduct and calls on suppliers of the Company to conduct business based on high ethical standards.

### **Ensuring appropriate information disclosure and transparency (General principle 3)**

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

### **Responsibilities of the Board (General principle 4)**

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

### **Dialogue with shareholders (General principle 5)**

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

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

### **Supplementary principle 4.1.2 Commitment of the Board of Directors to achieving the medium-term business plans**

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

With regard to its long-term management vision, SBG announced "SoftBank's Next 30-Year Vision" at its Annual General Meeting of Shareholders in 2010, its 30th anniversary year. Reaffirming its corporate philosophy, "Information Revolution – Happiness for everyone," SBG clarified its vision and strategy for the next 30 years, as it works towards its goal of becoming a corporate group that will continue to grow in the next 300 years.

#### *Website*

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

[https://group.softbank/en/news/webcast/20100625\\_01\\_en](https://group.softbank/en/news/webcast/20100625_01_en)

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

[https://group.softbank/system/files/pdf/philosophy/vision/next30/press\\_20100625\\_01\\_en.pdf](https://group.softbank/system/files/pdf/philosophy/vision/next30/press_20100625_01_en.pdf)

### **Principle 5.2 and Supplementary Principle 5.2.1 Establishment, disclosure, etc. of business strategy and business plan**

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

On the other hand, SBG aims to maximize its net asset value (NAV) over the medium to long term by increasing its equity value. As a financial policy to support this aim, SBG places great importance on its loan to value (LTV) to ensure financial stability. SBG aims to manage its LTV below 25% in normal times in financial markets, with an upper threshold of 35% even in times of emergency, and strives to maintain safety by securing funds sufficient to redeem bonds for at least the next two years.

## Disclosure based on the principles of Japan's Corporate Governance Code

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

SBG holds no shares under the cross-shareholdings structure.

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

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

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

### **Supplementary Principle 2.4.1 Ensuring diversity in the promotion, etc. of core personnel**

SBG hires professionals based on the "Three Core Competencies" — Smart, Professionalism, and Relation. Our basic policy is to hire the best person for the position in consideration of age, gender, nationality, and other factors and SBG is committed to ensuring diversity in promoting female employees, foreign employees, and mid-career hires to management positions and in other human resource-related measures.

As of the end of fiscal 2021, female employees accounted for 22% of management positions and foreign employees 4%. Mid-career hires usually account for more than 90% of new employees for a year, and they account for roughly the same percentage in terms of promotion to management positions. SBG intends to continue its recruitment and promotion from medium to long term perspectives in ways that match its human resources strategy and makes efforts to achieve the rate of female, foreign, and mid-career recruits exceeding the current figures.

In addition, as a basic policy for human resources development, SBG has established a system for self-driven career development so that each employee can enhance his or her "Three Core Competencies" aforementioned. Specifically, in addition to the provision of internal education and training services, including English conversation courses, SBG allocates education budgets to each department so that employees can independently select and attend external training programs of their choice. SBG has also established a side job system to allow employees to achieve personal growth through diverse experiences and connect it to their own career development.

Further, in the development of the work environment, SBG believes the driving force for the growth of the entire Group is each employee being able to fully express his or her individuality and abilities. In this respect, as an example of our efforts to support the active participation of foreign employees, official documents such as notices, internal training contents, and internal systems are provided in Japanese and English in principle to facilitate communication.

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

SBG has not participated in any specific corporate pension fund, but has introduced a defined

contribution-type corporate pension plan to support stable asset building by its employees. SBG offers various relevant information through the intranet, and is working to monitor performance of funds in cooperation with the managing institution.

### **Principle 3.1 and Supplementary Principle 3.1.3 Full disclosure**

(i) Guided by a corporate philosophy of “Information Revolution – Happiness for everyone,” SBG aims to be a provider of essential technologies and services to people around the world, and discloses its corporate philosophy and vision on its website.

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

#### *Website*

Corporate Philosophy, Vision and Values

<https://group.softbank/en/philosophy>

Management Policy (Medium to long term strategies, important management issues, etc.)

[https://group.softbank/en/ir/investors/management\\_policy](https://group.softbank/en/ir/investors/management_policy)

VOD of “SoftBank’s Next 30-Year Vision”

[https://group.softbank/en/news/webcast/20100625\\_01\\_en](https://group.softbank/en/news/webcast/20100625_01_en)

Presentation material of “SoftBank’s Next 30-Year Vision”

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

#### *Website*

Basic Views on Corporate Governance

[https://group.softbank/en/about/corporate\\_governance/framework](https://group.softbank/en/about/corporate_governance/framework)

#### *Corporate Governance Report*

“1. Basic views” under “I. Basic views on corporate governance, capital structure, corporate profile, and other basic information.”

(iii) At SBG, Board Directors' compensation is intended to motivate Board Directors to increase enterprise value and grow profits, and to function as consideration for their performances. This compensation comprises basic compensation, cash bonuses, and share-based payments and is determined by a resolution of the Board of Directors within the aggregate amount approved by the General Meeting of Shareholders, based on discussions by the Nominating & Compensation Committee, which is a voluntary advisory body. Individual compensation is determined based on individual roles, responsibilities, performances, and other factors, taking the results of operations and management environment into account. SBG discloses this information on its website and in the Corporate Governance Report.

#### *Website*

Corporate Management

[https://group.softbank/en/about/corporate\\_governance/officer](https://group.softbank/en/about/corporate_governance/officer)

#### *Corporate Governance Report*

"Disclosure of policy on determining compensation amounts and calculation methods" under "II. Business management organization and other corporate governance systems regarding decision-making, execution of business, and oversight in management."

(iv) In electing and dismissing Board Director candidates, SBG's Board of Directors elects and dismisses Board Director candidates based on deliberations by the Nominating & Compensation Committee, which is a voluntary advisory body, and in accordance with the Articles of Incorporation and the Board of Directors Regulations, and these candidates are proposed at the General Meeting of Shareholders. Criteria for electing and dismissing Board Director candidates include qualities and abilities that will contribute to increasing enterprise value and a deep knowledge of the candidate's respective field of specialization.

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

Decisions regarding Corporate Officer appointments and dismissals are made by the Board of Directors, based on criteria including outstanding capabilities for executing their duties.

(v) SBG discloses the reasons for the appointment of each of the candidates for the Board of Directors

and Audit & Supervisory Board in the Notice of the General Meeting of Shareholders in which the election of these candidates is proposed.

*Notice of the General Meeting of Shareholders*

“Notice of the General Meeting of Shareholders and Reference Materials for the Annual General Meeting of Shareholders”

<https://group.softbank/en/ir/investors/shareholders>

### **Supplementary principle 3.1.3 Sustainability initiatives**

Based on the belief that sustainability initiatives contribute to the enhancement of corporate value over the medium to long term, SBG implements various sustainability initiatives, including respect for human rights, supply chain management, addressing climate change, and promoting circular economy.

*Investment in human capital*

In order to continue its pursuit of innovative business, SBG views its people as the source of that innovation and as key stakeholders who support its sustainable growth. Based on this view, as an investment in human capital, SBG has developed a system for self-driven career development and has created a working environment where diversity is respected.

*Investment, etc. in intellectual property*

Considering the importance of its brands in supporting sustainable business growth, the Company strategically secures trademark rights in Japan and overseas. As a holding company, SBG also aims to protect and utilize intellectual property throughout the Group by evaluating the intellectual property activities and strategies of its subsidiaries and collaborating with them on intellectual property.

*Climate related Information disclosures in accordance with the TCFD recommendations*

The Company is strongly aware of the importance of addressing climate change, and analyzes the climate-related risks and opportunities and the impact it may have on the Company. The Company also discusses and implements countermeasures, including the setting of greenhouse gas reduction targets, and discloses this information on its website in accordance with the TCFD recommendations.

*Website*

Environmental Initiatives

<https://group.softbank/en/tcfid>

SBG discloses its overall sustainability initiatives on the following website.



*Website*

Sustainability initiatives

<https://group.softbank/en/sustainability>

**Supplementary principle 4.1.1 Agenda items for resolution by the Board of Directors and scope of delegation to management**

SBG stipulates the agenda items for discussion in the Board of Directors for resolution in the Board of Directors Regulations, and discloses a summary of these in the Annual Securities Report and the Corporate Governance Report. In addition, Special Directors are put in place in accordance with Paragraph 1, Article 373 of the Companies Act, and matters related to “disposal and acceptance of important assets” and “borrowing in a significant amount” are resolved by the Board of Special Directors meeting for the purpose of prompt decision-making. The scope of matters to be delegated to the management is stipulated in the Internal Approval Regulations and other internal regulations.

The Investment Committee and the Brand Committee are decision-making bodies that have been delegated decision-making authority by the Board of Directors. The Investment Committee has the purpose of making decisions on matters for which it has been delegated authority by the Board of Directors, in order to carry out corporate activities flexibly. The Committee comprises three Board Directors or Corporate Officers elected by the Board (Masayoshi Son, Yoshimitsu Goto, and Rajeev Misra). The Brand Committee is a committee that has been delegated authority by the Board of Directors to make decisions on and properly manage matters related to the SoftBank brand. The Brand Committee comprises five members including the chairman (Board Director, Corporate Officer, Senior Vice President Yoshimitsu Goto), who has been selected by the Board of Directors, and four members (Corporate Officer, Senior Vice President Kazuko Kimiwada, the head of CLO Office Natsuko Oga, the head of the Corporate Communications Office Takeaki Nukii, and the head of the General Administration Department Tatsuya Iida), who have been appointed by the chairman. The agenda items for discussion in the Investment Committee are set forth in the Regulations of the Investment Committee, while the agenda items for discussion in the Brand Committee are set forth in the Regulations of the Brand Committee. SBG discloses a summary of these in the Annual Securities Report and Corporate Governance Report.

*Annual Securities Report (in Japanese only)*

“4 Status of Corporate Governance”

[https://group.softbank/ir/financials/security\\_reports](https://group.softbank/ir/financials/security_reports)

*Corporate Governance Report*

“2. Matters regarding functions of business execution, auditing, oversight, nomination, and compensation decisions: overview of current corporate governance system” under “II. Business management organization and other corporate governance systems regarding decision-making, execution of business,

and oversight in management.”

#### **Principle 4.9 Independence standards and qualification for independent Board Directors**

SBG elects Independent External Board Directors in accordance with the independence criteria set by the Tokyo Stock Exchange. The Board of Directors elects Independent External Board Director candidates who can contribute to increasing enterprise value through their qualifications, ability, and deep knowledge in their fields of expertise. SBG also elects candidates for their ability to participate actively in constructive discussion and express their opinions frankly.

#### **Supplementary principle 4.10.1 Ensuring the independence and objectivity of nomination and compensation of management team**

This information is described in “Supplementary information” of “Voluntary establishment of committee(s) corresponding to a nominating committee or compensation committee” in “1. Organizational composition and operation,” under “II. Business management organization and other corporate governance systems regarding decision-making, execution of business, and oversight in management.”

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

SBG stipulates the maximum number of Board Directors at 11 in the Articles of Incorporation. The Board of Directors elects Board Director candidates who are considered the most suitable for the position, in consideration of their nationality, ethnicity, gender, or age. There are nine Board Directors serving, all of whom have a wealth of knowledge and experience regarding business management and a global perspective, among other qualities. Five of the nine Board Directors are External Board Directors, two are non-Japanese, and one is a woman, thereby ensuring constructive and lively discussion at the Board of Directors meetings from diverse perspectives. SBG discloses the Skill Matrix, which identifies the skills and other details of the Board of Directors, as well as the reasons for their election, in the Notice of the General Meeting of Shareholders.

*Notice of the General Meeting of Shareholders*

“Notice of the General Meeting of Shareholders and Reference Materials for the Annual General Meeting of Shareholders”

<https://group.softbank/en/ir/investors/shareholders>

*Website*

Corporate Governance System

[https://group.softbank/en/about/corporate\\_governance/structure](https://group.softbank/en/about/corporate_governance/structure)

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

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

*Notice of the General Meeting of Shareholders*

"Status of Corporate Officers" under "Notice of the General Meeting of Shareholders – Business Report"

<https://group.softbank/en/ir/investors/shareholders>

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

From November 2021 to April 2022, as in the previous year, SBG had an independent organization conduct a questionnaire and interviews with its Representative Director, Corporate Officer, Chairman & CEO, several Directors and all of the Audit & Supervisory Board Members from the perspective of the composition, operation, and support systems of the Board of Directors, and conducted an evaluation of the effectiveness of the Board based on the results of the questionnaire and interviews.

As a result of the evaluation, it was confirmed that, among the issues pointed out in the previous year's evaluation, the supervisory system for conflicts of interest, in particular, has been strengthened. Meanwhile, in the questionnaires and interviews, it was pointed out that it is necessary to improve the effectiveness of the Nominating & Compensation Committee and to examine how to discuss sustainability, as particularly important roles that the Board of Directors of SBG should fulfill. In addition to this, it was also pointed out that the Board needs to devise ways to ensure sufficient time for discussion at meetings.

In light of the above, SBG will continue its efforts to further ensure the effectiveness of the Board as a whole by organizing the roles and annual activities of the Nominating & Compensation Committee and thereby strengthening the functions of the committee.

The results of the evaluation were reported at the Board of Directors meeting held in April 2022, and the Board has confirmed that it will make improvements with regard to the issues that were pointed out.

### **Supplementary principle 4.14.2 Training policy for Board Directors and Audit & Supervisory Board Members**

SBG distributes the Board Directors' Handbook covering the responsibilities and obligations of Board Directors to its Board Directors to enable them to acquire important skills and knowledge needed to stay abreast of current developments; and SBG's full-time Audit & Supervisory Board Members also actively participate in national conferences of Audit & Supervisory Board Members held by the Japan Audit & Supervisory Board Members Association and other types of training.

## Principle 5.1 Policy for constructive dialogue with shareholders

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

The management and the Investor Relations Department individually respond to requests for dialogue from shareholders and other investors within reason and in accordance with the objectives of the dialogue, paying careful attention to the handling of material facts subject to insider trading regulations. Furthermore, full-time Audit & Supervisory Board Members and department managers of relevant domains also attend these dialogues as necessary, as part of SBG's efforts to provide thorough explanations. In addition to individual discussions, SBG holds earnings results briefings and briefings for retail investors to explain the status of its businesses to shareholders and other investors.

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

### Website

Disclosure system

[https://group.softbank/en/about/corporate\\_governance/ir\\_activities](https://group.softbank/en/about/corporate_governance/ir_activities)

### Corporate Governance Report

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

## 2. Capital structure

Foreign shareholding ratio

More than 20% and less than 30%

### Major shareholders

Name / Company name	Number of shares owned	Percentage (%)
Masayoshi Son	460,161,164	27.94
The Master Trust Bank of Japan, Ltd. (Trust Account)	294,957,800	17.91
Custody Bank of Japan, Ltd. (Trust Account)	100,459,683	6.10
JP MORGAN CHASE BANK 380763	29,066,400	1.77
STATE STREET BANK WEST CLIENT - TREATY 505234	20,422,573	1.24
SON CORPORATION LLC	19,059,600	1.16
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	18,741,700	1.14
Son Assets Management, LLC	18,504,420	1.12

SSBTC CLIENT OMNIBUS ACCOUNT	18,218,454	1.11
JP MORGAN CHASE BANK 385781	17,118,766	1.04

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

## Supplementary information

(1) Status of major shareholders above is as of March 31, 2022.

(2) A report of large volume holding was filed with the Director-General of the Kanto Local Finance Bureau by BlackRock Japan Co., Ltd. and its joint holders on May 19, 2021 (the date when filing requirement arose: May 14, 2021). However, since SBG was unable to confirm substantial ownership of the number of shares held in the name of the above-mentioned corporation as of March 31, 2022, such number of shares is not counted in the above "Major Shareholders." The content of the report is as follows:

[Name / Number of shares held / Holding ratio]

BlackRock Japan Co., Ltd. and seven companies / 90,013 thousand shares / 5.15%

(3) A change report of large volume holding was filed with the Director-General of the Kanto Local Finance Bureau by Nomura Securities Co., Ltd. and its joint holder on May 21, 2021 (the date when filing requirement arose: May 14, 2021). However, since SBG was unable to confirm substantial ownership of the number of shares held in the name of the above-mentioned corporation as of March 31, 2022, such number of shares is not counted in the above "Major Shareholders." The content of the report is as follows:

[Name / Number of shares held / Holding ratio]

Nomura Securities Co., Ltd. and one company / 156,928 thousand shares / 8.97%

(4) A change report of large volume holding was filed with the Director-General of the Kanto Local Finance Bureau by Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder on June 4, 2021 (the date when filing requirement arose: May 31, 2021). However, since SBG was unable to confirm substantial ownership of the number of shares held in the name of the above-mentioned corporation as of March 31, 2022, such number of shares is not counted in the above "Major Shareholders." The content of the report is as follows:

[Name / Number of shares held / Holding ratio]

Sumitomo Mitsui Trust Asset Management Co., Ltd. and one company / 110,385 thousand shares / 6.41%

(5) A change report of large volume holding and an amendment report pertaining thereto were filed with the Director-General of the Kanto Local Finance Bureau by Nomura Securities Co., Ltd. and its joint holder on January 19, 2022 and January 25, 2022, respectively (the date when filing requirement arose: January 14, 2022). However, since SBG was unable to confirm substantial ownership of the number of shares held in the name of the above-mentioned corporation as of March 31, 2022, such number of shares is not counted in the above "Major Shareholders." The content of the change report is as follows:

[Name / Number of shares held / Holding ratio]

Nomura Securities Co., Ltd. and one company / 163,201 thousand shares / 9.47%

(6) A change report of large volume holding was filed with the Director-General of the Kanto Local Finance Bureau by Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder on June 6, 2022 (the date when filing requirement arose: May 31, 2022). However, since SBG was unable to confirm substantial ownership of the number of shares held in the name of the above-mentioned corporation as of March 31, 2022, such number of shares is not counted in the above "Major Shareholders." The content of the report is as follows:

[Name / Number of shares held / Holding ratio]

Sumitomo Mitsui Trust Asset Management Co., Ltd. and one company / 99,851 thousand shares / 5.80%

### 3. Corporate profile

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

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

None

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

#### Approach to and policy concerning group management

Based on its unique organizational strategy, "Cluster of No. 1 Strategy,"\* SBG will make direct investment (including investment through its subsidiaries) in the Group companies (for example, SoftBank Corp., Arm Limited and Alibaba Group Holding Limited), as well as investment funds (for example, SoftBank Vision Funds 1 and 2, and SoftBank Latin America Funds)<sup>\*2</sup>, to build a corporate group that operates a diverse range of businesses in the information and technology sector, and to improve its net asset value (NAV). In this process, each investee will seek self-sustained growth, while SBG, as a strategic investment holding company, will support each investee company in its improvement of corporate value, by utilizing the network of group of companies as well as promoting collaboration among the investee companies.

Furthermore, the Company will confirm, or make reasonable efforts to ensure, that each investee company is operating under environmental, social, and corporate governance standards that are substantially equivalent to the standards set forth in the Policy on Governance and Investment Guidelines for Portfolio Companies of SBG.

\* The goal of the "Cluster of No. 1 Strategy" is to form a diverse group of companies with outstanding technologies and business models in specific fields. Under this strategy, the companies are encouraged to create synergies to continue evolving and growing together, based on capital relationships and a shared vision, while making decisions independently. As a strategic investment holding company, SBG will seek to provide guidance on decision-making of companies in the cluster. SBG, however, will largely not seek to acquire majority equity interests or integration of brands, as it places greater importance to preserving companies' autonomy. By comprising such a diverse group of companies, SBG believes that it will be able to grow over the long term through flexible transformation and expansion of business lines.

<sup>\*2</sup> SoftBank Vision Fund 1 refers to SoftBank Vision Fund L.P. and its alternative investment vehicles,

SoftBank Vision Fund 2 refers to SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles, and SoftBank Latin America Funds refer to SBLA Latin America Fund LLC.

### **Significance of having listed subsidiaries**

SBG holds 40.68% of the voting rights of SoftBank Corp. (Prime Market, stock code: 9434) as of March 31, 2022.

SBG believes that it is desirable, from the perspective of group management, for the roles and values of SBG, which is investing on a global scale, and those of SoftBank Corp., as a core company in the Group's telecommunications business field, to be clearly separated, and for SoftBank Corp. to improve its corporate value with a more autonomous management perspective and growth strategy.

The subsidiaries of SoftBank Corp. that are listed on Japanese financial instruments exchanges are Z Holdings Corporation, SB Technology Corp., ITmedia Inc., Vector Inc., ValueCommerce Co., Ltd., ZOZO, Inc., ASKUL Corporation, Cybertrust Japan Co., Ltd and eMnet Japan. co. ltd.

### **Measures to ensure the effectiveness of the governance system of listed subsidiaries**

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

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

### 1. Organizational composition and operation

Organizational form	Company with Audit & Supervisory Board
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#### Board Directors

Maximum number of Board Directors stipulated in the Articles of Incorporation	11
Term of office of Board Directors stipulated in the Articles of Incorporation	1 year
Chairperson of the Board	CEO
Number of Board Directors	9
Appointment of External Board Directors	Appointed
Number of External Board Directors	5
Number of Independent Officers	4

#### External Board Directors' relationships with SBG: 1

Name	Attribute	Relationship with SBG*											
		a	b	c	d	e	f	g	h	i	j	K	
Masami Iijima	From another company												
Yutaka Matsuo	Scholar									○		△	
Keiko Erikawa	From another company												
Kenneth A. Siegel	Lawyer									○			
David Chao	From another company									○			

\* Categories for "Relationship with SBG"

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

"△" when the Board Director fell under the category in the past

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

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

- Executive of SBG or its subsidiaries
- Non-executive director or executive of a parent company of SBG
- Executive of a fellow subsidiary company of SBG
- Party whose major client or supplier is SBG or an executive thereof
- Major client or supplier of SBG or an executive thereof
- Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from SBG besides compensation as a Board Director/Audit & Supervisory Board Member
- Major shareholder of SBG (or an executive of said major shareholder if the shareholder is a legal entity)
- Executive of a client or supplier company of SBG (which does not correspond to any of d, e, or f) (the Board Director himself/herself only)
- Executive of a company, between SBG and which External Board Directors/Audit & Supervisory Board Members are mutually appointed (the Board Director himself/herself only)



j. Executive of a company or organization that receives a donation from SBG (the Board Director himself/herself only)

k. Others

## **External Board Directors' relationships with SBG: 2**

### **Masami Iijima**

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with SBG: Not applicable

Reason(s) for appointment:

#### **Reason(s) for appointment as an External Board Director**

After assuming the position of Representative Director, President and Chief Executive Officer of MITSUI & CO., LTD. in April 2009, Board Director Masami Iijima led the company's management for six years and played a major role in its growth. In April 2015, he became Representative Director, Chairman of the Board of Directors of MITSUI & CO., LTD. He has extensive knowledge and experience related to corporate management and corporate governance, including contributions to management oversight and improvement of the effectiveness of the Board of Directors. Board Director Iijima has offered advice on SBG's long-term group strategies and played a vital role in business judgments and decision-making processes at the Board.

He has also expressed views from the standpoint of minority shareholders of SBG, led development of objective discussions from an independent perspective as Chairperson of the voluntary Nominating & Compensation Committee, and thus made significant contributions to the improvement of enterprise value of SBG through the supervisory function.

SBG expects that Board Director Iijima will use his wealth of knowledge and experience to supervise SBG and offer advice, and has therefore reappointed him as an External Board Director for the further growth of the Company.

#### **Reason(s) for designation as an Independent Officer**

Board Director Iijima is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. SBG judged that there is no potential conflict of interest between Board Director Iijima and ordinary shareholders, and designated him as an Independent Officer in June 2018.

### **Yutaka Matsuo**

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with SBG: Applicable

SBG has transactions related to research and development with the University of Tokyo, at which Board Director Matsuo serves as a professor. However, these transactions are extremely immaterial, accounting for less than 1% of SBG's operating expenses and less than 1% of the university's ordinary incomes. In fiscal 2017 and 2018, SBG made donations to the university for the purposes of conducting research and operating endowed courses.

Reason(s) for appointment:

**Reason(s) for appointment as an External Board Director**

Performing research into artificial intelligence (AI) over many years, Board Director Yutaka Matsuo was a visiting scholar at Stanford University in August 2005 and, in April 2019, became a professor at the Graduate School of Engineering of the University of Tokyo. He has extensive knowledge and experience as a leading expert on AI, having served as a member of Government-led working groups. Although Board Director Matsuo does not have management experience, the Board believes that through his high level of expertise he can properly perform his duties as an External Board Director of SBG.

In addition to offering advice on SBG's long-term group strategies and playing a vital role in business judgments and decision-making processes at the Board, Board Director Matsuo has also expressed views from the standpoint of minority shareholders of SBG. Also at the voluntary Nominating & Compensation Committee, he has made objective comments from an independent perspective as a member of the committee, and thus made significant contributions to the improvement of enterprise value of SBG through the supervisory function.

SBG expects that Board Director Matsuo will use his wealth of knowledge and experience to supervise SBG and offer advice, and has therefore reappointed him as an External Board Director for the further growth of the Company.

**Reason(s) for designation as an Independent Officer**

Board Director Matsuo is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. SBG judged that there is no potential conflict of interest between Board Director Matsuo and ordinary shareholders, and designated him as an Independent Officer in June 2019.

**Keiko Erikawa**

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with SBG: Not applicable

Reason(s) for appointment:

**Reason(s) for appointment as an External Board Director**

Since founding KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.), Board Director Keiko Erikawa has played a vital role in developing and strengthening the business foundation of the KOEI TECMO Group as a corporate manager and a finance manager, and therefore has extensive knowledge and experience related to corporate management and technology.

In addition to offering advice on SBG's long-term group strategies and playing a vital role in business judgments and decision-making processes at the Board, Board Director Erikawa has also expressed views from the standpoint of minority shareholders of SBG thus made significant contributions to the improvement of enterprise value of SBG through the supervisory function.

SBG expects that Board Director Erikawa will use her wealth of knowledge and experience to supervise SBG and offer advice, and has therefore reappointed her as an External Board Director for the further growth of the Company.

**Reason(s) for designation as an Independent Officer**

Board Director Erikawa is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to her. SBG judged that there is no potential conflict of interest between Board Director Erikawa and ordinary shareholders, and designated her as an Independent Officer in June 2021.

### **Kenneth A. Siegel**

Designation as an Independent Officer: Not applicable

Supplementary information on the relationship with SBG: Applicable

Board Director Kenneth A. Siegel concurrently holds a managing partner post at Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho, and a post of Board Director, Member of Executive Committee at Morrison & Foerster LLP. SBG has transactions including legal/advisory engagement with the firm.

Reason(s) for appointment:

#### **Reason(s) for appointment as an External Board Director**

After joining Morrison & Foerster LLP in August 1986, Board Director Kenneth A. Siegel became Managing Partner of Morrison & Foerster Tokyo Office (Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho) in August 1996, and assumed the position of Board Director, Member of Executive Committee of Morrison & Foerster LLP in January 2009. Having engaged in corporate acquisitions, joint venture deals, and strategic alliances, Board Director Siegel has extensive knowledge and experience as a lawyer.

In addition to offering advice on SBG's long-term group strategies and playing a vital role in business judgments and decision-making processes at the Board, Board Director Siegel has also expressed views from the standpoint of minority shareholders of SBG thus made significant contributions to the improvement of enterprise value of SBG through the supervisory function.

SBG expects that Board Director Siegel will use his wealth of knowledge and experience to supervise SBG and offer advice, and has therefore reappointed him as an External Board Director for the further growth of the Company.

#### **Reason(s) for non-designation as an Independent Officer**

Board Director Kenneth A. Siegel concurrently holds a managing partner post at Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho, and a post of Board Director, Member of Executive Committee at Morrison & Foerster LLP. SBG did not designate him as an Independent Officer as the amount of compensation to be paid to the firm in future is yet to be decided, regardless of whether there are transactions or not.

### **David Chao**

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with SBG: Applicable

SBG has made limited partner investments in A-Fund II, L.P. and A-Fund II, L.P., which are managed by DCM Ventures, where Board Director David Chao serves as Co-Founder and General Partner.

#### **Reason(s) for appointment as an External Board Director**

After joining Apple Computer, Inc. in June 1989, Board Director David Chao was instrumental in the

company’s rapid growth and also managed the company’s startup investment portfolio in the U.S. After joining McKinsey & Company in August 1993, Board Director Chao worked in the telecommunications and software industries, where he was involved in technology, marketing, and financial strategy development projects. Thereafter, having co-founded Japan Communications Inc. in May 1996, where he served as Chief Financial Officer, Chief Technology Officer, and Director, before becoming Co-Founder & General Partner of Doll Capital Management, Inc. (DCM Ventures) in January 1997, Board Director Chao has extensive knowledge and experience in investment, business management, and technology.

SBG expects that Board Director Chao will use his wealth of knowledge and experience to supervise SBG and offer advice, and has therefore appointed him as an External Board Director for the further growth of the Company.

Voluntary establishment of committee(s) corresponding to a nominating committee or compensation committee	Established
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	Committee name	Committee members	Full-time members	Internal Board Directors	External Board Directors	External experts	Others	Chairman
Voluntary committee corresponding to Nominating Committee	Nominating & Compensation Committee	3	0	1	2	0	0	External Board Director
Voluntary committee corresponding to Compensation Committee	Nominating & Compensation Committee	3	0	1	2	0	0	External Board Director

## Supplementary information

The Nominating & Compensation Committee, which is a voluntary advisory body to the Board of Directors, deliberates on standards for appointment and dismissal, proposals of candidates, individual compensation, and policies concerning evaluation and compensation for Board Directors, and reports the results of the deliberation to the Board of Directors. It also conducts discussions on successors on an ongoing basis.

The Nominating & Compensation Committee members are elected by the Board of Directors from among Board Directors, and a majority of the Committee members are Independent External Board Directors, thereby enhancing independence and objectivity.

The Committee currently comprises three Board Directors (Masami Iijima (Chairman/Independent External Board Director), Yutaka Matsuo (Independent External Board Director), and Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO)).

### Audit & Supervisory Board Members

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

### Cooperation between the Audit & Supervisory Board Members, Independent Auditor, and the Internal Audit Office

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

The Audit & Supervisory Board Members receive regular briefings from the Independent Auditor (Deloitte Touche Tohmatsu LLC) on the audit plan, quarterly reviews, audit results, and other matters. The Audit & Supervisory Board Members and the Independent Auditor also cooperate as necessary by exchanging information and opinions, among other measures.

#### Cooperation between the Audit & Supervisory Board Members and the Internal Audit Office

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

#### Cooperation between the Independent Auditor and the Internal Audit Office

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

measures.

Appointment of External Audit & Supervisory Board Members	Appointed
Number of External Audit & Supervisory Board Members	4
Number of Independent Officers	3

**External Audit & Supervisory Board Members’ relationships with SBG: 1**

Name	Attribute	Relationship with SBG*													
		a	b	c	d	E	f	g	h	i	j	k	l	m	
Maurice Atsushi Toyama	CPA														
Yuji Nakata	From another company										△				
Soichiro Uno	Lawyer										△				
Keiichi Otsuka	CPA														

\* Categories for “Relationship with SBG”

“○” when the Audit & Supervisory Board Member presently falls or has recently fallen under the category

“△” when the Audit & Supervisory Board Member fell under the category in the past

“●” when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category

“▲” when a close relative of the Audit & Supervisory Board Member fell under the category in the past

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

## External Audit & Supervisory Board Members' relationships with SBG: 2

### **Maurice Atsushi Toyama**

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with SBG: Not applicable

Reason(s) for appointment:

#### **Reason(s) for appointment as an External Audit & Supervisory Board Member**

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

#### **Reason(s) for designation as an Independent Officer**

Audit & Supervisory Board Member Toyama is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. SBG judged that there is no potential conflict of interest between Audit & Supervisory Board Member Toyama and ordinary shareholders, and designated him as an Independent Officer in June 2015.

### **Yuji Nakata**

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with SBG: Applicable

Audit & Supervisory Board Member Yuji Nakata worked for Nomura Securities Co., Ltd. until April 2021. SBG has transactions related to overall financing with the company. However, these transactions are extremely immaterial, accounting for less than 0.1% of non-operating expenses.

Reason(s) for appointment:

#### **Reason(s) for appointment as an External Audit & Supervisory Board Member**

Audit & Supervisory Board Member Yuji Nakata has extensive knowledge and experience related to corporate management and risk management, having served as Representative Executive Officer and a risk management manager at financial institutions. SBG appointed him as an External Audit & Supervisory Board Member in June 2021 to have him conduct audits from a fair and objective standpoint based on his knowledge and experience and to ensure that audits are conducted from a more independent standpoint.

#### **Reason(s) for designation as an Independent Officer**

Audit & Supervisory Board Member Yuji Nakata is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. SBG judged that there is no potential conflict of interest between Audit & Supervisory Board Member Nakata and ordinary shareholders, and designated him as an Independent Officer in June 2021.

## **Soichiro Uno**

Designation as an Independent Officer: Not applicable

Supplementary information on the relationship with SBG: Applicable

Audit & Supervisory Board Member Soichiro Uno concurrently holds a partner post at Nagashima Ohno & Tsunematsu. SBG had transactions including legal/advisory engagement with the firm in fiscal 2020, but had no transactions with the firm in fiscal 2021.

Reason(s) for appointment:

### **Reason(s) for appointment as an External Audit & Supervisory Board Member**

Audit & Supervisory Board Member Soichiro Uno has extensive knowledge and experience as an attorney-at-law. SBG appointed him as an External Audit & Supervisory Board Member in June 2004 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 Audit & Supervisory Board Member Uno does not have management experience other than in the capacity as an officer, SBG believes that through his high level of expertise he can properly perform his duties as an External Audit & Supervisory Board Member of SBG.

### **Reason(s) for non-designation as an Independent Officer**

Audit & Supervisory Board Member Soichiro Uno is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply to him. Although SBG judged that there is no potential conflict of interest between Audit & Supervisory Board Member Uno and ordinary shareholders, SBG did not designate him as an Independent Officer in accordance with the rules set by Nagashima Ohno & Tsunematsu, to which he belongs to.

## **Keiichi Otsuka**

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with SBG: Not applicable

Reason(s) for appointment:

### **Reasons for appointment as an External Audit & Supervisory Board Member**

Audit & Supervisory Board Member Keiichi Otsuka has extensive knowledge and experience as a certified public accountant. SBG appointed him as an External Audit & Supervisory Board Member in June 2021 to have him conduct audits from a professional standpoint based on his knowledge and experience and to ensure that audits are conducted from a more independent standpoint. Although Audit & Supervisory Board Member Otsuka does not have management experience other than as an external officer, SBG believes that through his high level of expertise he can properly perform audits of SBG as an External Audit & Supervisory Board Member of SBG.

### **Reason(s) for designation as an Independent Officer**

Audit & Supervisory Board Member Otsuka is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange apply



to him. SBG judged that there is no potential conflict of interest between Audit & Supervisory Board Member Otsuka and ordinary shareholders, and designated him as an Independent Officer in June 2021.

**Independent Officers**

Number of Independent Officers	7
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**Other matters related to Independent Officers**

None

**Incentives**

Incentive policies for Board Directors	Performance-linked compensation, stock options
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**Supplementary information**

SBG has introduced performance-linked compensation comprising cash bonuses and share-based payment. As for share-based payment, SBG has allotted stock acquisition rights to be used as stock options for Board Directors of SBG. The intention is to give them incentives to improve business results and increase enterprise value. For details, please refer to “Disclosure of policy on determining compensation amounts and calculation methods.”

Recipients of stock options	Internal Board Directors / Employees / Subsidiaries’ Board Directors / Subsidiaries’ employees
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**Supplementary information**

SBG has allotted stock acquisition rights as stock options without compensation to Board Directors, Corporate Officers, and other employees of SBG, as well as to Board Directors, Corporate Officers, and other employees of major subsidiaries of SBG. The reasons for allotting such rights are, by linking the Company’s business results and the benefits received by Board Directors and so forth, to give incentives to the recipients of the rights and thereby improve the business results of the Company and to align the interests of those persons with the interests of SBG’s shareholders to the greatest extent possible.

**Board Director compensation**

Disclosure of Board Directors’ compensation	Selected Board Directors
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## Supplementary information

### Compensation for Board Directors and Audit & Supervisory Board Members with subtotals for each type of compensation and numbers of recipients for fiscal 2021

	Number of recipients	Subtotals for each type of compensation (¥ million)			Total amount of compensation (¥ million)
		Fixed compensation (Basic compensation)	Performance-based compensation (Bonus)	Others	
Board Directors (excl. External Board Directors)	2	96	258	1	355
External Board Directors	6	183	-	-	183
Audit & Supervisory Board Members (excl. External Audit & Supervisory Board Members)	1	6	-	-	6
External Audit & Supervisory Board Members	5	80	-	-	80

#### Notes:

- Aside from the above, there was no compensation paid to External Officers as Board Directors and Audit & Supervisory Board Members from the subsidiaries of SBG for this fiscal year.
- Pursuant to the resolution of the 38th Annual General Meeting of Shareholders held on June 20, 2018 regarding the annual aggregate compensation of Board Directors, monetary compensation shall not exceed ¥5 billion million per year, while compensation in the form of stock acquisition rights allotted as stock options separately from the aforementioned compensation shall not exceed ¥5 billion per year.
- Pursuant to the resolution of the 41<sup>st</sup> Annual General Meeting of Shareholders held on June 23, 2021 regarding the annual aggregate compensation of Audit & Supervisory Board Members, monetary compensation shall not exceed ¥160 million per year.

### Compensation and other compensation paid to respective Board Directors for fiscal 2021

	Amount of consolidated compensation (¥ million)	Company name	Subtotals for each type of compensation (¥ million)			
			Basic compensation	Bonus	Share-based payment [of which undetermined amount]	Others
Masayoshi Son (Board Director)	100	SoftBank Group Corp.	12	50	-	-
		SoftBank Corp.	-	-	38 [-]	-
Yoshimitsu Goto (Board Director)	293	SoftBank Group Corp.	84	208	-	1
Ken Miyauchi (Board Director)	539	SoftBank Corp.	96	-	(Note 5) 443 [-]	-
Kentaro Kawabe (Board Director)	344	Z Holdings Corporation	66	208	71 [-]	-
Ronald D. Fisher (Note 6)	126	SB Investment Advisers (US) Inc.	110	-	-	16
Simon Segars (Note 6)	1,151	Arm Limited	34	1,116	(3) [(3)]	3

Notes:

1. Only Board Directors whose total consolidated compensation and other compensation is ¥100 million or more are listed.
2. Company name and subtotals for each type of compensation are stated based on the compensation agreements between each Board Director and the Company.
3. Amounts of share-based payment were recognized, measured, and presented in the consolidated statement of income in accordance with IFRS 2, "Share-based payment." Of these, cash-settled share-based payment, whose compensation was determined by the share price on the settlement date, was calculated based on the share price at the end of this fiscal year if the settlement date was not reached then. Under the circumstances when the share price declined from the end of the previous fiscal year to the current fiscal year, the compensation amount could be negative.
4. "Of which undetermined amount" included in share-based payment refers to an amount of cash-settled share-based payment that was calculated based on the share price on the last day of this fiscal year since the settlement date has not come yet. This amount is subject to share price fluctuations until the settlement date.
5. ¥380 million out of share-based payment to Ken Miyauchi from SoftBank Corp. will be granted on July 20, 2022 in the form of restricted stock and recorded in the consolidated statement of income for the following fiscal year.
6. Ronald D. Fisher and Simon Segars retired from the position of Board Director of SBG at the conclusion of the Annual General Meeting of Shareholders held on June 23, 2021. Kentaro Kawabe was elected and assumed the position of Board Director of SBG at the same Annual General Meeting of Shareholders. Their figures represent the amount of consolidated compensation for their respective tenure of office.

Policy on determining compensation amounts and calculation methods

Established

## Disclosure of policy on determining compensation amounts and calculation methods

### Overview of the executive compensation system

In order to realize the vision of "Information Revolution – Happiness for everyone," the executive compensation policy of SBG is decided by a resolution of the Board of Directors, accounting for the societal and relative status of each officer, as well as the degree of their respective contributions to SBG, while referring to compensation survey results conducted by professional organizations, so that the system provides compensation that is reasonably competitive and can attract global talent that share the same aspirations. Individual amount of compensation is determined pursuant to the procedure described in "Organization and procedures for deciding executive compensation" below.

For Board Directors whose main duties are as officers of subsidiaries and group companies, compensation is determined by respecting the compensation policy of each company, based on the "Cluster of No. 1 Strategy" for us to grow together through the bond of camaraderie, and such compensation is paid by subsidiaries and group companies.

### Components of the executive compensation

Total compensation paid to Board Directors (excluding External Board Directors) comprises basic compensation, which is fixed compensation, and performance-based compensation, which changes depending on the performance. The performance-based compensation comprises cash bonuses as an incentive for short-term performance and stock compensation (non-monetary compensation) as an incentive to improve our corporate value over the medium to long term, and their proportion is

determined individually.

The compensation for External Board Directors and Audit & Supervisory Board Members consists exclusively of fixed compensation because they are independent of business execution.

### **Details of fixed compensation**

Basic compensation is set as an annual amount on an individual basis, and is paid in cash in monthly installments. The amount of compensation is decided on an individual basis, taking into consideration whether the officer is full-time and part-time, as well as their positions and the duties they are in charge of.

### **Details of performance-based compensation**

Cash bonuses as an incentive for short-term performance are paid every fiscal year, as compensation for the execution of duties while executive officers are in office.

Stock compensation (non-monetary compensation) as an incentive to improve corporate value over the medium to long term, is provided in the form of stock options using stock acquisition rights, with an aim to encourage executives to make continuous management effort, while sharing mutual interest with shareholders through share price increase. The contents of stock acquisition rights include normal stock options (with exercise price calculated based on the market price at the time of allotment) and share-based stock options (with exercise price of ¥1). The exercisable period will be set within the range of 10 years from the day following their allotment date.

The amount of cash bonuses and the number of stock acquisition rights allotted as stock compensation are decided based on multiple performance indicators for adequately rewarding the results achieved through business activities. Specifically, it is decided on an individual basis, and shall take into consideration individual performance based on each officer's ability and achievements, as well as company performance including consolidated results, the stock price and NAV (Net Asset Value).

[Key performance indicators as basis for performance-based compensation (for the fiscal year ended March 31, 2022)]

Net sales	Income before income taxes	Net income attributable to owners of the parent	Highest stock price
¥6,221,534 million	¥(869,562) million	¥(1,708,029) million	¥10,220

## **Organization and procedures for deciding executive compensation**

Executive compensation is paid within the range of the aggregate amount of compensation approved by the resolution of the General Meeting of Shareholders, subject to confirmation that it is in line with the SBG compensation policy stated in “Overview of the executive compensation system” above and is found to be both rational and reasonable.

Regarding the range of the aggregate amount of compensation, the monetary compensation and the stock compensation paid to Board Directors were resolved at an amount not exceeding ¥5 billion per year, respectively, at the 38<sup>th</sup> Annual General Meeting of Shareholders held on June 20, 2018, and SBG was served by 12 Board Directors (including three External Directors) at the time of the resolution. The compensation paid to Audit & Supervisory Board Members was resolved at an amount not exceeding ¥160 million per year at the 41<sup>st</sup> Annual General Meeting of Shareholders held on June 23, 2021, and SBG was served by four Audit & Supervisory Board Members (including four External Audit & Supervisory Board Members) at the time of the resolution.

Compensation of Board Directors for the relevant fiscal year has been decided by Representative Director, Corporate Officer, Chairman & CEO (Masayoshi Son) who is the founder of SBG responsible for the business results of SBG as a whole, based on the contents of discussions by the Nominating & Compensation Committee, which is a voluntary advisory body to the Board of Directors, within the range of authority entrusted to him by the resolution of the Board of Directors following the Annual General Meeting of Shareholders for the previous fiscal year. The SBG Nominating & Compensation Committee shall review the proposed compensation from multiple viewpoints including the consistency with the SBG compensation policy and make a report to the Board of Directors on its deliberation details. The Board of Directors decides that the deliberations are in line with the SBG compensation policy.

To ensure independence, compensation of the Audit & Supervisory Board Members for the relevant fiscal year shall be decided by the consultation among the Audit & Supervisory Board Members, after the conclusion of the Annual General Meeting of Shareholders for the previous fiscal year.

## **Support system for External Board Directors and/or External Audit & Supervisory Board Members**

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

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

**Status of persons who retired from the position of President and Representative Director, etc.**

**Names of former Presidents and Representative Directors, etc., currently serving as Corporate Counselors or Advisers.**

Name	Position	Business outline	Working form	Retirement of the Representative Directors, etc	Term
-	-	-	-	-	-

Number of relevant persons

0

**Other matters**

SBG does not have a Corporate Counselor system, or Advisers who have retired from the position of Representative Director, etc.

## **2. Matters regarding functions of business execution, auditing, oversight, nomination, and compensation decisions: overview of current corporate governance system**

### **1. Governance system**

#### **(1) Board of Directors**

SBG's Board of Directors consists of nine Board Directors, including five External Board Directors. The Representative Director, Corporate Officer, Chairman & CEO serves as the chairman of the Board. The Board's purpose is to make important decisions on execution of duties and oversee Board Directors' execution of duties. SBG ensures adequate independence of each of the External Board Directors, who bring a wealth of knowledge and experience to the Board related to business management and other matters. Each of the External Board Directors participates actively in the discussions at the Board meetings and SBG makes management judgments and decisions based on these discussions.

Agenda items for discussion at the Board of Directors meetings are set forth in the Board of Directors Regulations. The Board discusses the following:

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

Furthermore, Special Directors are put in place in accordance with Paragraph 1, Article 373 of the Companies Act, and matters related to "disposal and acceptance of important assets" and "borrowing in a significant amount" are resolved by the Board of Special Directors meeting for the purpose of prompt decision-making.

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

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

SBG and each of its non-executive Board Directors Masami Iijima, Yutaka Matsuo, Keiko Erikawa, Kenneth A. Siegel and David Chao 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.

## Meeting attendance of External Board Directors

Attendance at the Board of Directors meetings during fiscal 2021 was as follows.

<b>Attendance at the Board of Directors meetings for fiscal 2021</b>	
	Meetings attended/Meetings held (attendance rate %)
Masami Iijima	14/14 (100%)
Yutaka Matsuo	14/14 (100%)
Keiko Erikawa	11/12 (91.7%)
Kenneth A. Siegel	12/12 (100%)

Notes:

1. Excludes the number of the meetings not held in person
2. The attendance data for Board Director Keiko Erikawa and Board Director Kenneth A. Siegel is since their appointment on June 23, 2021.

### **(2) Nominating & Compensation Committee (Voluntary Advisory Body to the Board of Directors)**

This information is described in "Supplementary information" of "Voluntary establishment of committee(s) corresponding to a nominating committee or compensation committee" under "1. Organizational composition and operation," under "II. Business management organization and other corporate governance systems regarding decision-making, execution of business, and oversight in management."

### **(3) Investment Committee**

The Investment Committee has the purpose of making decisions on matters for which it has been delegated authority by the Board of Directors, in order to carry out corporate activities flexibly. The Committee comprises three Board Directors or corporate officers elected by the Board (Masayoshi Son, Yoshimitsu Goto, and Rajeev Misra).

The agenda items for discussion in the Investment Committee are set forth in the Regulations of the Investment Committee. The committee resolves the following matters:

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

- iii Other matters

Resolutions of the Committee are only approved by majority agreement. If a proposal is rejected, it is brought to the Board of Directors. All resolutions of the committee are reported to the Board of Directors.



#### **(4) Brand Committee**

The Brand Committee is a committee that has been delegated authority by the Board of Directors to make decisions on and properly manage matters related to the SoftBank brand. The Committee comprises five members including the chairman (Board Director, Corporate Officer, Senior Vice President Yoshimitsu Goto), who has been selected by the Board of Directors, and four members (Corporate Officer, Senior Vice President Kazuko Kimiwada, the head of CLO Office Natsuko Oga, the head of the Corporate Communications Office Takeaki Nukii, and the head of the General Administration Department Tatsuya Iida), who have been appointed by the chairman.

The agenda items for discussion at the Brand Committee are set forth in the Regulations of the Brand Committee. The Committee discusses the following:

- i. Certain matters related to the licensing of the SoftBank brand
- ii. Matters related to a consideration for use of the SoftBank brand
- iii. Certain matters related to the cancellation of licensing of the SoftBank brand
- iv. Basic policy and important matters related to the management of the SoftBank brand
- v. Certain matters other than the above related to the SoftBank brand

The Brand Committee's decisions are only approved by unanimous agreement from all members. All decisions made by the Committee are reported to the Board of Directors.

#### **(5) Group Risk and Compliance Committee**

The Group Risk and Compliance Committee was established by the Board of Directors for the purpose of supervising the risk management and compliance program of the Group, and continuously discussing their material issues, promotion policies, and the like. The Committee comprises three members including the chairperson (Corporate Officer, Chief Legal Officer (CLO) Tim Mackey), who has been appointed as Group Compliance Officer (GCO) by the Board of Directors, and two members (Board Director, Corporate Officer, Senior Vice President Yoshimitsu Goto, and Corporate Officer, Senior Vice President Kazuko Kimiwada).

The matters to be discussed by the Group Risk and Compliance Committee are set forth in the Group Risk and Compliance Committee Operation Regulations. The Committee discusses matters related to the Group's risk management and compliance activities: (i) overall policies such as basic policy and activity themes, (ii) policies, systems and status of promotion of individual activities related to material issues, and (iii) any other matter deemed necessary by the chairperson or a member.

The Group Risk and Compliance Committee's decisions are only approved by majority agreement. The Committee reports to the Board of Directors periodically (at least once a year) on the matters to be discussed by the Committee, the results of the discussions, and the like, in accordance with the provisions of the Board of Directors Regulations.

#### **(6) Sustainability Committee**

The Sustainability Committee was established by the Board of Directors for the purpose of continuously discussing sustainability-related material issues, promotion policies, and the like of the Group. The

Committee comprises four members including the chairperson (the head of the Investor Relations Department and the Sustainability Department, Yotaro Agari), who has been appointed as Chief Sustainability Officer by the Board of Directors, and three members (Board Director, Corporate Officer, Senior Vice President and CFO & CISO\* Yoshimitsu Goto, Corporate Officer, Senior Vice President Kazuko Kimiwada and Corporate Officer and CLO & GCO Tim Mackey).

The matters to be discussed by the Sustainability Committee are set forth in the Sustainability Committee Operation Regulations. The Committee discusses: (i) overall policies such as the sustainability vision, basic policy, and activity themes, (ii) material issues, target setting, and policies of individual activities such as information disclosure policy, (iii) promotion systems for and operation policy of the sustainability activities, and (iv) any other matter deemed necessary by the chairperson or a member in connection with the items above.

The Sustainability Committee reports to the Board of Directors as necessary on the matters to be discussed by the Committee, the results of the discussions, and the like, in accordance with the provisions of the Board of Directors Regulations.

\*CISO means Chief Information Officer.

## **(7) Audit & Supervisory Board Members and the Audit & Supervisory Board**

The Audit & Supervisory Board Members attend the Board of Directors meetings, allowing them to monitor and verify the decision-making of the Board and fulfillment of the Board's obligation to supervise the execution of duties by each Board Director. Moreover, the Audit & Supervisory Board Members receive regular reports from Board Directors, employees, Audit & Supervisory Board Members and other personnel of major subsidiaries and conduct hearings, as necessary, to audit the execution of duties by the Board Directors of SBG.

The Audit & Supervisory Board has been established to receive reports on, deliberate and resolve important matters related to audits. The Audit & Supervisory Board consists of four External Audit & Supervisory Board Members (two full-time members and two part-time members), and is chaired by Maurice Atsushi Toyama, who has served as full-time Audit & Supervisory Board Member since June 2015. SBG ensures adequate independence of each of the External Audit & Supervisory Board Members, who possess a wealth of knowledge and experience in their professional roles as a lawyer, certified public accountant or Representative Executive Officer and a risk management manager at financial institutions.

The Audit & Supervisory Board meets once a month, in principle. At these meetings, in addition to formulating the audit policy and plan, details of various internal and external meetings attended only by full-time members are reported to part-time members. The Audit & Supervisory Board also explains details of the audit plan for each fiscal year, interim audit status, and audit results to the Board of Directors. Furthermore, as described in "2. Audit by the Independent Auditor, (1) Status of audit by the Independent Auditor, iv. Policy for selection of audit corporation and evaluation of audit corporation by the Audit & Supervisory Board," the Audit & Supervisory Board determines whether

or not the reappointment of the Independent Auditor is appropriate, each term. The Audit & Supervisory Board Office is established to support the duties of all the Audit & Supervisory Board Members and the office comprises three dedicated personnel who act under the directions of the Audit & Supervisory Board Members to gather information, investigate financial statements, requests for approval, treasury stock and matters related to the General Meeting of Shareholders, among other matters, and give other assistance. SBG and each of 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.

### Meeting attendance of the External Audit & Supervisory Board Members

Attendance at the Audit & Supervisory Board meetings during fiscal 2021 was as follows.

	<b>Board of Directors</b>	<b>Audit &amp; Supervisory Board</b>
	Meetings attended/Meetings held (attendance rate %)	Meetings attended/Meetings held (attendance rate %)
Maurice Atsushi Toyama	14/14 (100%)	14/14 (100%)
Yuji Nakata	12/12 (100%)	11/11 (100%)
Soichiro Uno	14/14 (100%)	14/14 (100%)
Keiichi Otsuka	11/12 (91.7%)	11/11 (100%)

Notes:

1. Excludes the number of the meetings not held in person
2. The attendance of Audit & Supervisory Board Members Yuji Nakata and Keiichi Otsuka is since their appointment on June 23, 2021.

### (8) Internal audits

The Internal Audit Office, which comprises 10 staff members, conducts internal audits of the Company's internal departments and subsidiaries to check that duties are carried out legally and correctly based on laws and regulations, the Articles of Incorporation, and internal regulations, while maintaining its independence within the Company. The results of these internal audits are reported to the CEO, and briefings are also given to the Board of Directors and the Audit & Supervisory Board.

## **2. Audit by the Independent Auditor**

### **(1) Status of audit by the Independent Auditor**

SBG concluded an independent audit agreement with Deloitte Touche Tohmatsu LLC based on the Financial Instruments and Exchange Act. The names of the certified public accountants who executed audit duties in fiscal 2021, the number of assistants for audit duties, the policy for selection of audit corporation and evaluation of audit corporation by the Audit & Supervisory Board for the fiscal year are as follows:

i. Names of certified public accountants who executed audit duties

Designated Limited Liability Partner and Engagement Partners:

Naofumi Yamazumi, Ryo Sakai, Yusuke Masuda

ii. Consecutive auditing period

16 years

iii. Composition of assistants who supported audit duties

Certified public accountants: 19, Others: 24

iv. Policy for selection of audit corporation and evaluation of audit corporation by the Audit & Supervisory Board

The Audit & Supervisory Board sets criteria for appropriately selecting an Independent Auditor and appropriately evaluating the Independent Auditor in the Audit & Supervisory Board Members Audit Regulations. In accordance with such criteria, the Audit & Supervisory Board takes into account the system to ensure the proper execution of duties by the Independent Auditor, the independency required by the Independent Auditor, and its expertise including the possession of worldwide network resources, and determines whether the reappointment of the Independent Auditor is appropriate each year. The Audit & Supervisory Board has determined that reappointment was appropriate for this fiscal year. In the event that the Audit & Supervisory Board determines that reappointment is inappropriate, it considers other candidates for Independent Auditor in accordance with such criteria, upon taking into account factors such as audits at other companies.

The Audit & Supervisory Board has resolved, as its decision-making policy of dismissal or not reappointing of the Independent Auditor, that 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, and that, other than those cases above, the Audit & Supervisory Board shall submit a proposal on dismissal or not reappointing of 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.

## **(2) Compensation for audits and other duties**

### i. Compensation for auditing certified public accountants and other assistants

- Compensation for audit certification duties

SBG: ¥860 million

Consolidated subsidiaries: ¥2,622 million

- Compensation for non-audit duties

SBG: ¥106 million

Consolidated subsidiaries: ¥417 million

The non-audit duties for SBG mainly consist of the preparation of comfort letters when issuing corporate bonds. The non-audit duties for the consolidated subsidiaries of SBG mainly consist of agreed-upon procedures.

### ii. Compensation to the same network as SBG's auditing certified public accountants and other assistants (Deloitte Touche Tohmatsu Limited) (excluding "Compensation for auditing certified public accountants and other assistants")

- Compensation for audit certification duties

SBG: -

Consolidated subsidiaries: ¥3,257 million

- Compensation for non-audit duties

SBG: ¥97 million

Consolidated subsidiaries: ¥763 million

The non-audit duties for SBG mainly consist of advisory services for taxation and other matters. The non-audit duties for the consolidated subsidiaries of SBG mainly consist of system-related support services.

### iii. Other material compensation for audit certification duties

Not applicable.

### iv. Reason(s) why the Audit & Supervisory Board gave its consent to the compensation of the Independent Auditor, etc.

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 compensation estimates, and from the results, has given consent prescribed in Paragraph 1, Article 399 of the Companies Act for the compensation paid to the Independent Auditor.

### **3. Reasons for adoption of current corporate governance system**

SBG adopts the company with Audit & Supervisory Board system. As explained in “2. Matters regarding functions of business execution, auditing, oversight, nomination, and compensation decisions: overview of current corporate governance system,” its corporate governance system is built around the Board of Directors, the Audit & Supervisory Board Members, and the Audit & Supervisory Board.

The Board Directors carry out lively discussions at each Board of Directors meeting. Moreover, since five of the nine Board Directors are External Board Directors (four of whom are Independent External Board Directors), management benefits from diverse perspectives and the function for mutual monitoring between Board Directors are enhanced.

The Audit & Supervisory Board Members conduct strict audits of the Board Directors’ execution of duties from their specialist perspectives as a certified public accountant, a lawyer, or other professional. Moreover, since all of the four Audit & Supervisory Board Members are External Audit & Supervisory Board Members (three of whom are Independent External Audit & Supervisory Board Members), SBG’s audit function is enhanced by ensuring more independent perspectives.

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

### III. Implementation of measures for shareholders and other stakeholders

#### 1. Measures to vitalize the General Meeting of Shareholders and enable smooth exercise of voting rights

	Supplementary information
Early notification of General Meeting of Shareholders	SBG dispatched the Notice for the 42nd Annual General Meeting of Shareholders held on June 24, 2022 on the statutory dispatch date, and posted it on its website eight days before being dispatched.
Scheduling AGMs avoiding the peak day	To allow a greater number of the shareholders to attend, SBG schedules the Annual General Meeting of Shareholders on off-peak days when meetings of many other companies are not concentrated.
Allowing electronic exercise of voting rights	A system for executing voting rights through the Internet has been in place since 2002, the 22nd Annual General Meeting of Shareholders.
Participation in electronic voting platform	SBG has participated in the Electronic Voting Platform for institutional and other investors since the start of the service in 2006, the 26th Annual General Meeting of Shareholders.
Providing convocation notice in English	SBG prepares an English translation of the full text of its Notice of Annual General Meeting of Shareholders and promptly posts it on its website following the disclosure of the Japanese version. Furthermore, SBG provides the English translation of the Notice to the voting platform.
Other	<p>Initiatives to promote understanding:</p> <p>At the Annual General Meeting of Shareholders, SBG uses video footage to report on its operations to help shareholders better understand the results of operations and the status of its businesses. Representative Director, Corporate Officer, Chairman &amp; CEO, who chairs the meeting, explains the Company's corporate philosophy and vision as well as its medium to long term business strategies in addition to reporting on legally mandated items.</p> <p>The Notice of the General Meeting of Shareholders provides shareholders with a greater volume of information to use in exercising their voting rights. To facilitate easy reading, the information in the notice is illustrated with charts and color photographs.</p> <p>Disclosure of voting results:</p> <p>The voting results for proposals at the General Meeting of Shareholders are posted in an Extraordinary Report on EDINET, as well as being posted in both Japanese and English on SBG's website.</p> <p>Utilization of the Internet:</p> <p>SBG offers the option of attending the Annual General Meetings of Shareholders via the Internet, and provides live webcasts of the Annual General Meetings of Shareholders on the Internet, which are available at a later date as archived streaming on its website.</p>

## 2 IR activities

	Supplementary information	Explanation by representative
Preparation and publication of disclosure policy	<p>SBG publishes its policy for IR activities on its website. The webpage titled "IR Activities" shows matters related to information disclosure, including the basic policy, disclosure standards, and methods. The page also lists measures to improve communications and the quiet periods for IR activities.</p> <p>For details, please refer to the website:  <a href="https://group.softbank/en/about/corporate_governance/ir_activities">https://group.softbank/en/about/corporate_governance/ir_activities</a></p>	
Regular briefings for retail investors	<p>SBG is vigorously working on IR activities targeting retail investors. In fiscal 2021, briefing sessions for retail investors were held online in light of the spread of COVID-19.</p>	None
Regular briefings for analysts and institutional investors	<p>Earnings results briefings:            On the days when quarterly earnings results are announced, SBG holds earnings results briefings for analysts, institutional investors, and the media. The Representative Director, Corporate Officer, Chairman &amp; CEO delivers an overview of the earnings results and explains the Company's business strategies.</p> <p>Briefings for investors:            Following the announcement of quarterly earnings results, SBG holds briefings for analysts and institutional investors. The Board Director, Corporate Officer, Senior Vice President &amp; CFO; the Corporate Officer, Senior Vice President, Head of Accounting Unit; and the CFO of the operating company of SoftBank Vision Fund 1 and 2 provides detailed explanations of the earnings results. Videos of the briefings and the contents of the Q&amp;A sessions are published on SBG's website.</p>	Yes



Regular briefings for overseas investors	<p>Overseas IR activities:  SBG's IR personnel in each of the Tokyo, the U.S., and the UK offices explain its business and financial strategies to institutional investors. SBG also participates in conferences held by securities companies, and the Representative Director, Corporate Officer, Chairman &amp; CEO; and the Board Director, Corporate Officer, Senior Vice President provide explanations and conduct Q&amp;A sessions concerning business and financial strategies.</p> <p>Earnings results conference calls:  On the days when quarterly earnings results are announced, SBG conducts a conference call for institutional investors overseas. The Representative Director, Corporate Officer, Chairman &amp; CEO delivers an overview of the earnings results and explains the Company's business strategies. The contents of the Q&amp;A sessions are posted on SBG's website.</p>	Yes
	<p>Others:  SBG provides live webcasts of earnings results briefings and the Annual General Meetings of Shareholders in English on its website. VOD is made available after them. On the days when quarterly earnings results are announced, a video message in English is also delivered to overseas investors from the Representative Director, Corporate Officer, Chairman &amp; CEO.</p>	
Posting of IR materials on website	<p>The following IR materials are posted on SBG's website. Items (a) through (i) are available in both Japanese and English.</p> <ul style="list-style-type: none"> <li>(a) Consolidated financial reports</li> <li>(b) Earnings results briefing presentation materials</li> <li>(c) Data sheets</li> <li>(d) Investors briefing presentation materials</li> <li>(e) Important news releases including timely disclosures</li> <li>(f) Corporate governance reports</li> <li>(g) Sustainability reports</li> <li>(h) Annual reports</li> <li>(i) Notices of the Annual General Meeting of Shareholders</li> <li>(j) Annual securities reports and quarterly reports</li> <li>(k) Reports to shareholders</li> </ul>	

Establishment of department in charge of IR	The Investor Relations Department is established to handle IR. As of June 1, 2022, 16 people in the department (including overseas locations) were engaged in IR activities.
Other	<p>SBG provides live webcasts of earnings results briefings on its website, as well as its official social media accounts.</p> <p>After the earnings presentation is concluded, the replay is promptly made available on SBG's website.</p>

### 3. Measures to ensure due respect for stakeholders

	Supplementary information
Stipulation of internal rules for respecting the position of stakeholders	SBG sincerely engages with the expectations from its shareholders and creditors, customers, business partners, employees, local communities (governments, administrative agencies, regional communities, NPOs, NGOs, etc.), and all other stakeholders, and aims to grow together with them. To this end, SBG has formulated the SoftBank Group Sustainability Principles, the Environmental Policy, the Human Rights Policy, the Portfolio Company Governance and Investment Guidelines Policy and the Supplier Code of Conduct. The details can be viewed on SBG's website: <a href="https://group.softbank/en/sustainability">https://group.softbank/en/sustainability</a>
Implementation of environmental activities, CSR activities etc.	In the environment where issues surrounding the Group, such as climate change, more frequent natural disasters, growing inequalities, issues associated with ensuring diversity, and the COVID-19 pandemic, are increasingly globalized, each group company is autonomously engaged in sustainability activities that leverage the nature and scope of their respective businesses. Details of specific activities can be viewed on SBG's website: <a href="https://group.softbank/en/sustainability">https://group.softbank/en/sustainability</a>
Development of policies on information provision to stakeholders	SBG strives to ensure timely and appropriate disclosure of information according to the statutory disclosure requirements based on the Financial Instruments and Exchange Act and other relevant acts and ordinances, and as required by the Rules on Timely Disclosure set by the Tokyo Stock Exchange. SBG also discloses critical information that is not subject to either statutory disclosure or timely disclosure requirements but could potentially affect investment decisions. This information is disclosed in a fair and prompt manner so as to give all the stakeholders equal access to it. SBG also works to enhance information disclosure to stakeholders through its annual reports, website, reports to shareholders, and other means. Most of these materials, with a few exceptions, are made available both in Japanese and English to narrow the information gap between disclosure in Japanese and English.

## **IV. Matters related to the internal control system**

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

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

#### **(1) System to ensure the appropriateness of operations**

##### **System to ensure that the execution of duties by Board Directors and employees is in compliance with laws, regulations, and the Articles of Incorporation of SBG**

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

1. A Chief Compliance Officer (CCO) is appointed. In addition to proposing and carrying out measures required to establish and enhance SBG's compliance system, the CCO periodically reports to the Board of Directors on compliance-related issues and the status of addressing those issues.
2. Internal and external whistle-blowing systems are established for direct reporting and consultations by Board Directors and employees to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. SBG ensures that whistle-blowers will not be treated disadvantageously for having made reports by prohibiting such treatment of persons on such grounds in Whistle-blowing Regulations.
3. The Internal Audit Office carries out audits on the effectiveness of the system for compliance in line with laws, regulations, and the Articles of Incorporation, and the results of those audits are reported to the CEO. The Internal Audit Office also works in cooperation with the Board Directors including External Board Directors and the Audit & Supervisory Board Members including External Audit & Supervisory Board Members by explaining the results of those audits to the Board of Directors and the Audit & Supervisory Board.

##### **System for the storage and management of information regarding the execution of duties by Board Directors**

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

1. SBG determines retention periods and methods and measures to prevent accidents based on the Information Security Basic Regulations, etc. and classifies and appropriately stores these documents according to their degree of confidentiality.
2. SBG appoints a Chief Information Security Officer (CISO), and the CISO promotes the establishment and reinforcement of information security system of SBG.

## **Regulations and systems related to risk management**

SBG has established the following systems under the Chief Risk Officer (CRO) to ensure appropriate identification and response to risks and incidents in business operations in order to eliminate or reduce impediments to the sustainable growth of the Company, ultimately to improve the enterprise value of the entire Company.

1. Under the Company's Risk Management Policy, SBG determines the following matters, based on the Risk Management Regulations.
  - Officers and employees of SBG strive to foresee risks associated with the execution of business and respond to the identified risks, as well as report to superiors and the like.
  - Each department appoints a risk manager, who conducts appropriate identification of and response to risks and incidents and reports any identified risks and the status of responses thereto to the Risk Management Office.
  - The Risk Management Office identifies and evaluates the risks and incidents of each department, and monitors the status of responses thereto. It also provides support and performs checks to ensure appropriate responses at each department. The Risk Management Office reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.
2. The Internal Audit Office carries out audits on the effectiveness of the risk management processes.

## **System to ensure the efficiency of Board Directors in the execution of their duties**

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

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

## **System to ensure appropriateness of the Company's operations**

SBG has formulated the SoftBank Group Charter to promote fundamental concepts and policies shared throughout the Company and Group Company Management Regulations of the SoftBank Group, which spell out the management policies and systems of group companies. In addition, the SoftBank Group Code of Conduct and the SoftBank Group Sustainability Principles are set out as policies with which the

Company as well as its Board Directors and employees must comply. Based on the regulations, the following systems have been established, giving consideration to the scale and materiality of group companies:

1. A Group Compliance Officer (GCO) is appointed to promote the establishment and reinforcement of groupwide compliance system, as the person ultimately responsible for compliance throughout the Company. A whistle-blowing system has also been established to receive reports and provide consultation to Board Directors and employees of group companies to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. SBG ensures that persons who have reported or consulted through the whistle-blowing system will not be treated disadvantageously for having done so by prohibiting such treatment of persons on such grounds in Group Company Management Regulations of the SoftBank Group.
2. CISO of SBG promotes the establishment and reinforcement of the group information security governance system of the entire Group.
3. The representatives of group companies must submit a Representative Oath pertaining to the financial reports submitted to SBG, thereby ensuring the accuracy of the annual securities report and other documents submitted by the Group.
4. The Internal Audit Office comprehensively judges the results of past internal audits, the governance system, and the financial position of group companies, and carries out internal audits of group companies deemed as having a high risk.
5. SBG determines the following matters based on the Risk Management Policy and the Group Company Management Regulations.
  - Officers and employees of Group companies strive to foresee risks associated with the execution of business and respond to the identified risks, as well as report to superiors and the like.
  - Each Group company appoints a risk manager.
  - The risk manager of the Group company conducts appropriate identification of and response to risks and incidents of said Group company and reports any identified risks and the status of responses thereto to the Risk Management Office of SBG. The risk manager also provides support and performs checks to ensure appropriate identification of and response to risks and incidents in business units. In addition, the risk manager reports necessary risk information based on the instructions of the Risk Management Officer of SBG in order to conduct risk management across the Group.
  - The Risk Management Office of SBG identifies and evaluates the risks and incidents of the Group companies, and monitors the status of responses thereto under the supervision of the CRO. It also reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.

### **System for excluding organized crime and other criminal elements**

SBG clearly states in the SoftBank Group Code of Conduct its policy of having absolutely no association

with organized crime and other criminal elements that pose a threat to public order and safety. The General Administration Department is responsible for dealing with inappropriate requests from organized crime and other criminal elements and will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

**System related to support personnel who assist the Audit & Supervisory Board Members, matters related to the independence of the relevant employees from the Board Directors, and matters related to ensuring the effectiveness of instructions given to the relevant employees**

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

**System for reporting to the Audit & Supervisory Board Members**

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

1. Important matters related to the management, finances, or business execution of the Company
2. Matters related to the compliance system or use of the whistle-blowing system
3. The development status of internal control system
4. Matters that could cause significant damage to SBG
5. Matters related to violations of laws, regulations, or the Articles of Incorporation
6. Results of audits conducted by the Internal Audit Office
7. Other matters that the Audit & Supervisory Board Members deem necessary to be reported in order for them to execute their duties

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

1. When the Audit & Supervisory Board Members deem it necessary, opportunities shall be provided for them to interview Board Directors or employees of the Company. In addition, the Audit & Supervisory Board Members periodically meet with the Independent Auditor and the Audit & Supervisory Board Members of major subsidiaries and other entities to exchange information and ensure cooperation.
2. SBG ensures that persons who have reported or consulted on matters related to compliance, including report or consultation to the Audit & Supervisory Board Members, will not be treated disadvantageously for having done so by prohibiting such treatment of persons on such grounds in Whistle-blowing Regulations and Group Company Management Regulations of the SoftBank Group.

3. SBG shall pay expenses related to the Independent Auditor, attorneys, and other professionals, and other expenses associated with the execution of duties by the Audit & Supervisory Board Members.

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

### **Matters concerning compliance**

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

### **Matters concerning risk management**

Based on the Company's Risk Management Policy, Risk Management Regulations, and the Group Company Management Regulations of the SoftBank Group, each department of SBG and the officers, employees and risk managers of the Group companies conduct appropriate identification of and response to risks and incidents in order to eliminate or reduce impediments to the sustainable growth of the Company. The Risk Management Office of SBG also identifies, evaluates and monitors the risks and incidents of each department and the Group companies. Furthermore, the Risk Management Office reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.

### **Matters concerning group management**

In managing and overseeing group companies as a holding company, SBG has established compliance with the SoftBank Group Charter, Group Company Management Regulations of the SoftBank Group, the SoftBank Group Code of Conduct and the SoftBank Group Sustainability Principles, which are applied to the Company. Reviewing as necessary such internal rules based on changes in the social environment and the status of the Company, SBG continuously works on enhancing and strengthening the Company's management system.

### **Matters concerning internal audits**

Based on the Internal Audit Regulations, the Internal Audit Office carries out audits on the effectiveness of the system for compliance with laws, regulations, and the Articles of Incorporation as well as the risk management process at SBG. In addition, the department continuously carries out audits of group companies deemed as having a high risk and reports the results of the audits to the CEO each time. The Internal Audit Office also works in cooperation with the Board Directors including External Board Directors and the Audit & Supervisory Board Members including External Audit & Supervisory Board



Members by explaining the results of those audits to the Board of Directors and the Audit & Supervisory Board.

### **Matters concerning the execution of duties by Board Directors and employees**

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

### **Matters concerning the execution of duties by Audit & Supervisory Board Members**

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

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

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

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

## V. Other

### 1. Adoption of anti-takeover measures

Adoption of anti-takeover measures	Not adopted
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#### Supplementary information

SBG has not adopted any anti-takeover measures.

### 2. Other matters concerning the corporate governance systems

#### (1) Group company management and oversight system

In its management and oversight of group companies as a holding company, SBG has formulated the SoftBank Group Charter, Group Company Management Regulations of the SoftBank Group, the SoftBank Group Code of Conduct and the SoftBank Group Sustainability Principles. In addition, SBG has set out the following policies with which the Company as well as its officers and employees must comply.

Compliance with:

- Anticorruption Policy
- Brand Management Policy
- Competition Law Compliance
- Policy Conflicts of Interest Policy
- Economic Sanctions Policy
- Human Rights Policy
- Information Security Policy
- Insider Trading Policy
- Privacy Policy
- Policy on Governance and Investment Guidelines for Portfolio Companies
- Environmental Policy
- Investment Conflicts and MNPI Governance Policy
- Risk Management Policy
- Supplier Code of Conduct

#### (2) Information disclosure system

SBG's basic approach to timely disclosure:

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

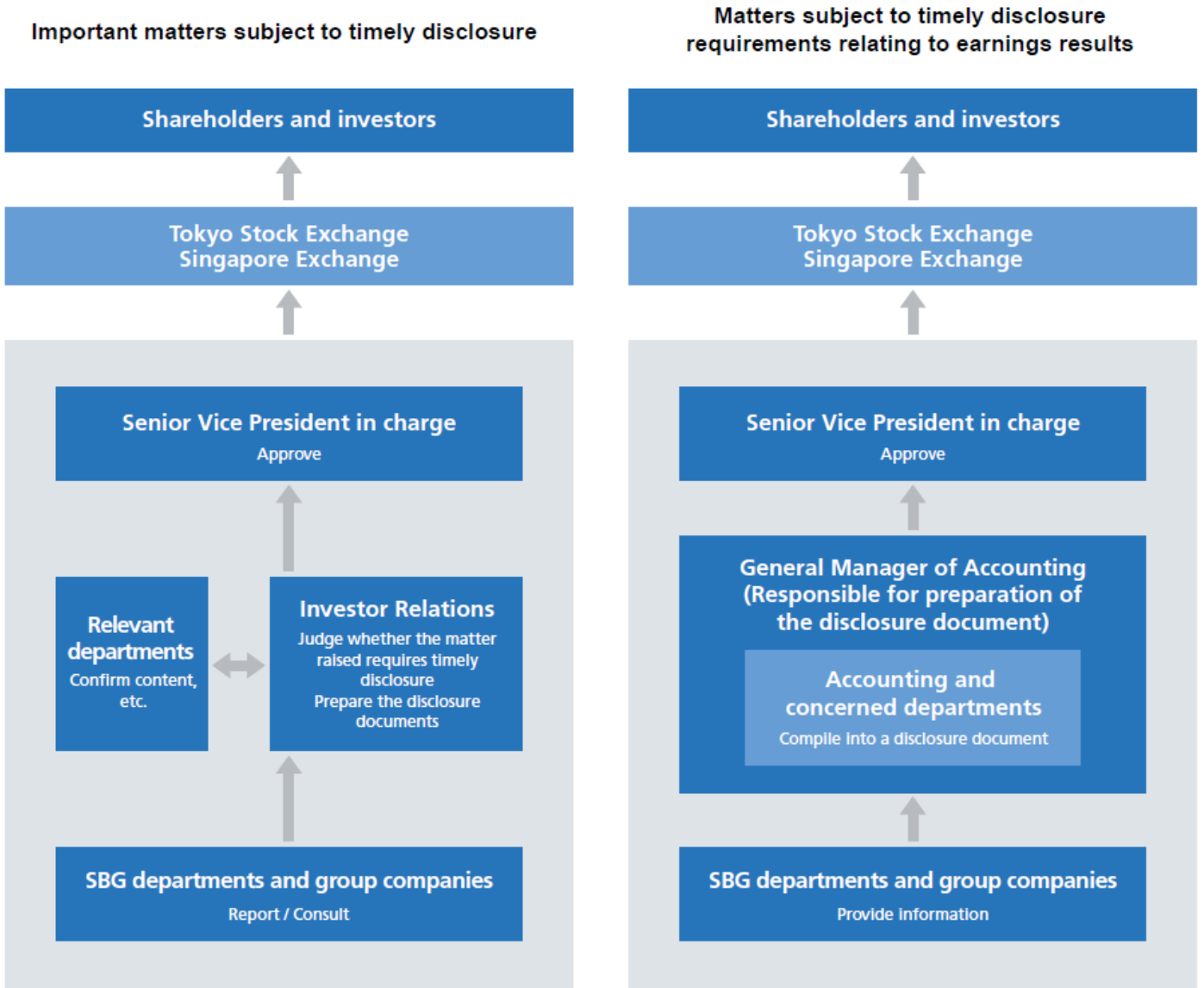
SBG's internal system for timely disclosure:

SBG conducts timely disclosure with the Investor Relations Department as the responsible department. Group Company Management Regulations of the SoftBank Group set out matters to be reported to the Investor Relations Department related to timely disclosure, including required reporting times and procedures. When timely disclosure is necessary, the Investor Relations Department prepares timely disclosure materials in close coordination with related departments such as Accounting, Finance, Legal, and General Administration and swiftly conducts timely disclosure under the approval of the Senior Vice

President in charge.

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

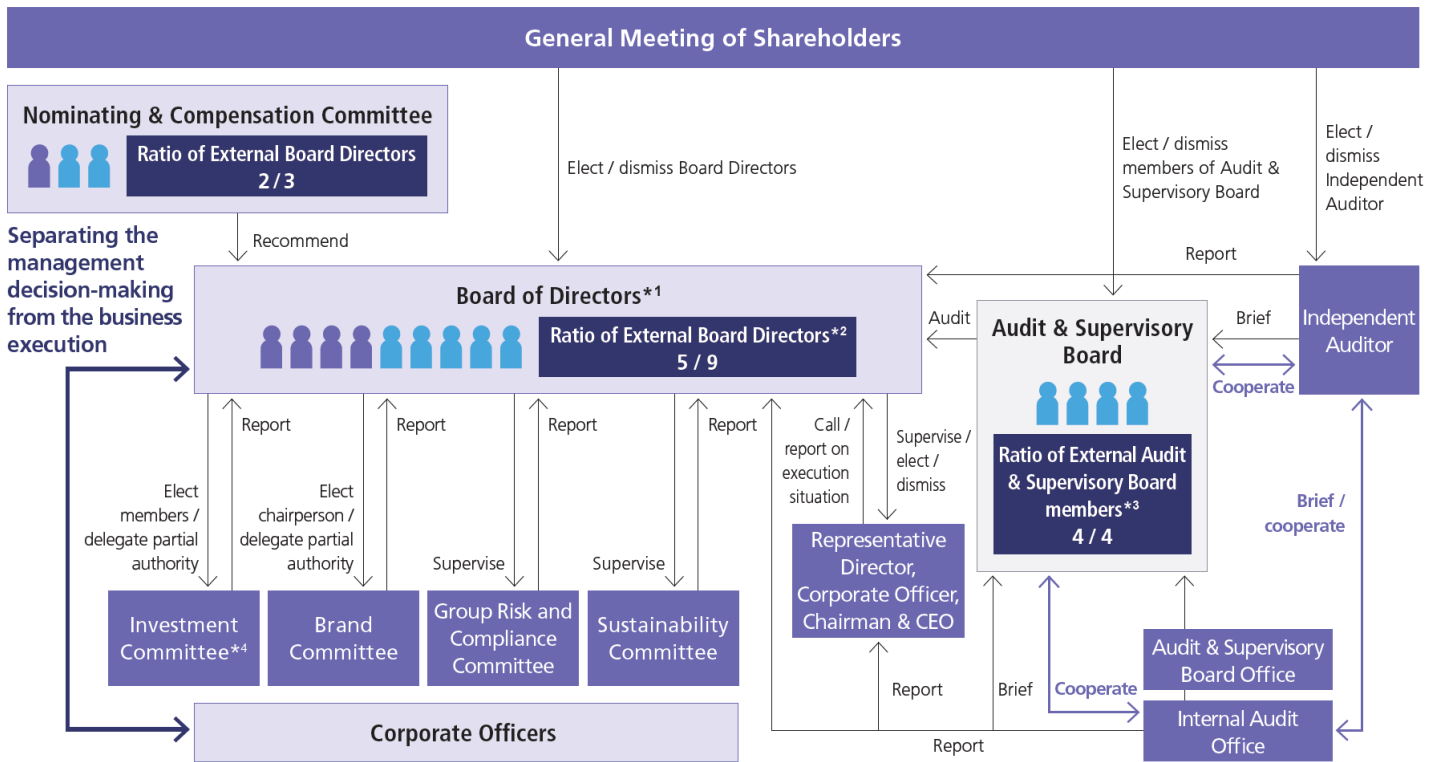
### Information disclosure system



Corporate governance system

 Internal Board Director

 External Board Director / External Audit & Supervisory Board member



\*1 Special Directors are put in place in accordance with Paragraph 1, Article 373 of the Companies Act.  
 \*2 Of the five External Board Directors, four are designated as Independent Officers.  
 \*3 Of the four External Audit & Supervisory Board members, three are designated as Independent Officers.  
 \*4 Supervisory Committee is put in place to supervise matters such as investments and loans of the certain subsidiaries.