

Disclaimer:

This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.



August 23, 2017

Dear Sir,



Company Name: SoftBank Technology Corp.
(Code No.: 4726 Tokyo Stock Exchange, First Section)
Representative: Shinichi Ata
President & CEO
Contact Person: Hatanaka Yoichiro
Senior Director
Corporate Planning Dept.
Phone: +81-3-6892-3063

Announcement of the Issuance of Stock Acquisition Rights (Qualified Stock Options)

The Board of Directors of SoftBank Technology Corp. approved a resolution on August 23, 2017 to issue stock acquisition rights to employees of the company pursuant to the provisions of Articles 236, 238 and 240 of the Companies Act as stated below.

1. Reason for issuance of the stock acquisition rights

SoftBank Technology grows larger through actively expanding its workforce and mergers and acquisitions under the management philosophy of “achieve significant growth.”

The number of employees at the company is increasing thanks to strategic initiatives for achieving this growth. SoftBank Technology has decided to distribute stock acquisition rights to these individuals in order to encourage their motivation to contribute to improving consolidated performance and linking their compensation with the interests of shareholders and the stock price.

2. Outline of the issuance of the stock acquisition rights

(1) Individuals to receive stock acquisition rights and the number of stock acquisition rights to be allotted

27 employees of SoftBank Technology: 1,270 units

The number of directors and employees is the expected number of recipients at the date of this release. The actual number of recipients may be higher or lower. The number of rights is the maximum number that can be issued. The actual number may be lower depending in the number of applications and other factors.

(2) Type and number of shares to be issued or transferred upon the exercise of stock acquisition rights

The type of shares to be issued upon the exercise of stock acquisition rights (defined as the rights issued using the terms in this release) shall be SoftBank Technology's common stock, and the number of shares issued upon the exercise of each stock acquisition right will be 100. The total number of shares to be issued or transferred upon the exercise of stock acquisition rights is initially 127,000.

If there is a split or consolidation of SoftBank Technology stock after the allotment date of the stock acquisition

rights, the number of shares per right will be adjusted by using the following formula. However, the adjustment will apply only to stock acquisition rights that are not exercised at the time of the adjustment. Any fraction of one share resulting from the adjustment will be rounded down.

$$\text{Number of shares per right after adjustment} = \text{Number of shares per right before adjustment} \times \text{Ratio of stock split or stock consolidation}$$

If SoftBank Technology issues stock or disposes of treasury shares at a price below the market price (other than shares issued because of a public offering at market price or to the exercise of stock acquisition rights), conducts a merger, a company split, exchange of shares or transfer of shares (collectively “merger, etc.”), conducts a gratis share allocation, or takes any other event that calls for an adjustment of the number of shares per right, SoftBank Technology can adjust the number of shares per right to a reasonable extent.

(3) Total number of stock acquisition rights to be issued

The total number of stock acquisition rights is 1,270.

If one or more individuals who are to receive stock allocation rights as explained in item (1) are no longer employees of SoftBank Technology or its subsidiary on the allocation date or if eligible individuals apply for a smaller number of rights than the number that is planned to be issued, the number of rights that individuals apply to will instead be the total number of the stock acquisition rights.

(4) Amount to be paid in exchange for the stock acquisition rights

It shall not need payment. This is the stock acquisition rights to be granted as incentive compensation, it does not apply to advantageous issue that is not a requirement for the payment of money.

(5) Amount of assets to be contributed upon the exercise of stock acquisition rights and calculation method

The assets to be contributed upon the exercise of each of the stock acquisition rights is calculated by multiplying the price per share (exercise price), which is determined as follows, by the number of shares per right.

The exercise price is the average closing price of the SoftBank Technology’s common stock on the Tokyo Stock Exchange on each day of the month (except days when there was no trading of the SoftBank Technology stock) prior to the month in which the applicable stock acquisition rights were allotted, with any fraction of one yen rounded up. However, if this amount is lower than the closing price (if there are no transactions on the allotment date, the most recent closing price prior to this date) of the SoftBank Technology’s common stock on the Tokyo Stock Exchange on the date of allotment of the stock acquisition rights, the closing price on this date shall apply.

In the case where the Company carries out a share split or share consolidation of its stock after the date of allotment of the stock acquisition rights, the Exercise Price shall be adjusted according to the following formula, with the resulting fractions of less than one yen arising from such calculation to be rounded up.

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

In addition, in the case where the Company carries out a share issuance or the disposition of treasury stock at a

value below market price after the date of allotment of the stock acquisition rights (excluding at-the-market offering and issuance of shares resulting from the exercise of stock acquisition rights), the Exercise Price shall be adjusted according to the following formula, with the resulting fractions of less than one yen arising from such calculation to be rounded up.

In the formula below, the number of outstanding shares is the number of shares issued after deducting treasury shares. If there is a disposal of treasury shares, the number of shares newly issued is instead the number of treasury shares to be disposed and the increase in shares due to a stock split or issue is instead the number of shares disposed.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of outstanding shares} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid per share}}{\text{Share price before split/consolidation/new issue}}}{\text{Number of outstanding shares} + \text{Increase in shares due to a stock split or issue (or decrease due to consolidation)}}$$

After the allotment date of the stock acquisition rights, if there is a stock consolidation or similar event, a gratis share allocation or any other event that calls for an adjustment of the exercise price, SoftBank Technology can adjust the exercise price to a reasonable extent.

(6) Allotment date of the stock acquisition rights
September 7, 2017

(7) Matters concerning certificates of the stock acquisition rights
SoftBank Technology will not issue certificates for the stock acquisition rights.

(8) Matters concerning the amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of stock acquisition rights
The amount of capital to be increased as a result of the issuance of shares upon the exercise of stock acquisition rights is half of the maximum amount of the increase in capital, etc. to be calculated pursuant to Article 17, Paragraph 1 of the Ordinance on Accounting of Companies, and any fraction of one yen resulting from the calculation will be rounded up. The remaining amount will be added to the capital reserve.

(9) Stock acquisition right exercise period
Period during which the stock acquisition rights are exercisable (the “exercise period”) is from September 1, 2019 to August 31, 2023.

(10) Conditions for the exercise of the stock acquisition rights

- (i) The number of stock acquisition rights that a right holder with 10,000 shares or more of the total number of shares in the stock acquisition rights allotted in the initial allocation may exercise during the period from (a) to (d) below shall be limited to the number prescribed in these provisions. However, if there are any fractions less than one unit in the number of the exercisable stock acquisition rights, the number shall be rounded down.
 - (a) Up to 25% of the number of the stock acquisition rights allotted for the period from September 1, 2019 until August 31, 2020
 - (b) Up to 50% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) above, for the period from

September 1, 2020 until August 31, 2021

- (c) Up to 75% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a) and (b) above, for the period from September 1, 2021 until August 31, 2022
 - (d) Up to 100% of the number of the stock acquisition rights allotted, combined with the stock acquisition rights exercised during the period described in (a), (b) and (c) above, for the period from September 1, 2022 until August 31, 2023
- (ii) The number of stock acquisition rights that a right holder with 5,000 shares or more but less than 10,000 shares of the total number of shares in the stock acquisition rights allotted in the initial allocation may exercise during the period from (a) to (b) below shall be limited to the number prescribed in these provisions. However, if there are any fractions less than one unit in the number of the exercisable stock acquisition rights, the number shall be rounded down.
- (a) Up to 50% of the number of the stock acquisition rights allotted for the period from September 1, 2019 until August 31, 2020
 - (b) Up to 100% of the number of the stock acquisition rights allotted, combining with the stock acquisition rights exercised during the period described in (a) above, for the period from September 1, 2020 until August 31, 2023
- (iii) Right holders may not exercise the stock acquisition rights yet to be exercised if rights holders are no longer a director or employee of SoftBank Technology or its subsidiaries (the “qualification for the exercise of the rights”).
- (iv) Irrespective of the preceding item (iii), in case that rights holders lose the stock acquisition rights due to the retirement from SoftBank Technology or its subsidiaries because of the company’s convenience, if SoftBank Technology approves in writing the exercise of the rights by the new holder(s) based on applicable circumstances, rights holders may exercise the stock acquisition rights which rights holders could exercise if rights holders had not lost the stock acquisition rights only until the day on which 1 year from the loss of qualification for the exercise of the rights passes or the expiration of the exercise period, whichever is earlier.
- (v) Irrespective of the preceding item (iii) and (iv), in case that rights holders lose the stock acquisition rights (except for the death of rights holders), if SoftBank Technology approves in writing the exercise of the rights by the new holder(s) based on applicable circumstances, the individual(s) who inherited the stock acquisition rights can exercise any rights that could have been exercised by the original rights holder (had that person not lost the stock acquisition rights).
- (vi) Irrespective of the preceding item (iii), if a rights holder dies, the individual(s) who inherits the stock acquisition rights can exercise any rights that could have been exercised by the original rights holder (had that person not died) during the period ending on the sooner of one year after the death or at the end of the exercise period.
- (vii) Irrespective of the preceding item (iii) and (vi), in the event that a rights holder dies and the individual(s) inheriting the stock acquisition rights is confirmed within 10 months of the death, if SoftBank Technology approves in writing the exercise of the rights by the new holder(s) based on applicable circumstances, the individual(s) who inherited the stock acquisition rights can exercise any rights that could have been exercised by the original rights holder (had that person not died).
- (viii) Except in the cases explained in the preceding items (vi) and (vii), it is not permitted to inherit the stock acquisition rights. Furthermore, in the event of the death of an individual who inherited the stock acquisition rights from an original rights holder, no further inheritance of the rights will be allowed.
- (ix) Rights holders may not exercise stock acquisition rights when shares that would be issued due to the exercise of the rights would raise the number of shares issued to more than the authorized amount and

when common stock that would be issued due to the exercise of the rights would raise the number of shares of common stock to more than the authorized amount.

- (x) Rights holders may not exercise a stock acquisition right of less than one unit.
- (xi) Any other terms and conditions will be determined by a stock acquisition right allocation contract to be entered into between SoftBank Technology and individuals who receive stock acquisition rights.

(11) Items related to acquisition of stock acquisition rights

- (i) If a merger contract in which SoftBank Technology will no longer exist, a contract for an absorption and split in which SoftBank Technology is the divesting company, a plan for a company split to form a new company, or a share exchange or share transfer agreement in which SoftBank Technology will become a wholly owned subsidiary is approved by the General Meeting of Shareholders (or the Board of Directors if shareholder approval is not required), SoftBank Technology may acquire all stock acquisition rights without compensation on a date specified by the Board of Directors.
- (ii) When a rights holder is no longer able to exercise all or part of the stock acquisition rights held in accordance with (10) above, SoftBank Technology may acquire all of these stock acquisition rights without compensation on a date specified by the Board of Directors.
- (iii) If the General Meeting of Shareholders approve a resolution to acquire class shares subject to the condition that all shares are purchased pursuant to the provisions of Article 171, Paragraph 1 of the Companies Act, SoftBank Technology may acquire all of the stock acquisition rights without compensation on a date specified by the Board of Directors.
- (iv) If the General Meeting of Shareholders approve a stock consolidation (only consolidations where multiplying the number of shares in one unit by the consolidation ratio results in a number that is smaller than one) for the stock of a particular class to be issued upon the exercise of stock acquisition rights, SoftBank Technology may acquire all of the stock acquisition rights without compensation on a date specified by the Board of Directors.
- (v) When the Board of Directors approves a demand by a special controlling shareholder to purchase all the stock of other shareholders, SoftBank Technology may acquire all of the stock acquisition rights without compensation on a date specified by the Board of Directors.

(12) Restriction on the acquisition of the stock acquisition rights through transfer

Any transfer of stock acquisition rights requires the approval of the Board of Directors.

(13) Treatment of the stock acquisition rights for a corporate reorganization

If SoftBank Technology conducts a merger (only a merger in which SoftBank Technology no longer exists), an absorption-type company split, an incorporation-type company split, or an exchange or transfer of shares (the “corporate reorganization”), then for each reorganizational action, the stock acquisition rights of the company stated in Article 236, Paragraph 1, Items 8, (a) through (e) of the Companies Act (the “reorganized company”) can be granted to rights holders with the following terms on the day on which the corporate reorganization is implemented. However, this provision applies only when the absorption and merger contract, new company merger contract, absorption split contract, new establishment split plan, share exchange contract or share transfer plan includes provisions stipulating that the reorganized company will grant stock acquisition rights with the following terms.

- (i) Number of the stock acquisition rights of the reorganized company to be granted
The same number as the remaining stock acquisition rights held by each rights holder are granted.
- (ii) Type of shares of the reorganized company to be issued or transferred upon the exercise of stock acquisition rights

common stock of the reorganized company.

- (iii) Number of shares of the reorganized company to be issued or transferred upon the exercise of stock acquisition rights
To be determined in accordance with (2) above, taking into account the terms and conditions of the corporate reorganization.
- (iv) Amount of assets to be contributed upon the exercise of stock acquisition rights
To be determined in accordance with (5) above, taking into account the terms and conditions of the corporate reorganization.
- (v) Stock acquisition right exercise period
Starts on the later of the first day of the exercise period as prescribed in (9) above or the effective date of the corporate reorganization and ends on the last day of the exercise period as prescribed in (9).
- (vi) Amount of capital and capital reserve to be increased as a result of the issuance of shares upon the exercise of stock acquisition rights
To be determined in accordance with (8) above.
- (vii) Restriction on the acquisition of the stock acquisition rights through transfer
The restrictions on the acquisition of the stock acquisition rights through transfer require the approval of the reorganized company.
- (viii) Other conditions for the exercise of stock acquisition rights
To be determined in accordance with (10) above.
- (ix) Items related to the acquisition of stock acquisition rights
To be determined in accordance with (11) above.
- (x) Other conditions will be determined in the same manner as those for the reorganized company.

(14) Due date for application

September 6, 2017