

**Outline of Q&A Session at Investors Meeting on
Results for the Fiscal Year and the Three Months Ended March 31, 2018
(Held on April 27, 2018)**

Please note that the content has been supplemented, edited, and reordered for greater clarity and ease of understanding.

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Q. Additional investments of approx. JPY 35 billion was made in FY2017, and now you announced the plan of making additional expenditures of approx. JPY 30 billion in FY2018. I received the impression that new investments will follow in FY2019 and onwards. Please explain your views on the medium- to long-term operating income plan.

A. Although new things are continually born in the Internet market, we do not intend to embark on new projects on an ad hoc basis. We will make investments in fields related to focus areas such as advertising, e-commerce (sale of goods) and mobile payment based on a clear strategy.

Q. What is the breakdown of the JPY 30 billion expenditure for new challenges in FY2018?

A. We intend to spend JPY 10 billion in media-related business and JPY 20 billion in commerce-related business. Media-related expenditures include expenses for the procurement of video content, production costs of original content to be produced with partners, promotional costs and others. Commerce-related expenditures include costs for acquiring stores for mobile payment. The specific spending details will be determined as we promote the businesses. Generally, we think that system development costs and usage promotion costs will become necessary.

Q. How are your previous targets such as doubling your operating income and becoming No.1 in domestic e-commerce transaction value positioned in the current business plan? Furthermore, to what extent do you foresee the outlook of your businesses?

A. We announced our target of doubling our operating income by 201X in 2012. We hope to achieve this target even though the timing will be delayed. However, we will change the method of achieving this. From FY2012 to FY2015 our operating income increased in

line with the growth of existing businesses. However, we determined that we will not be able to double our operating income that way. Based on the idea that our operating income will not double unless we take on new challenges and create new markets, we announced our goal of becoming No.1 in three focus areas in this announcement of business results. The goals will be achieved as a result of the growth of existing businesses and new challenges. Therefore, we have not given up on our target of becoming No.1 in domestic e-commerce transaction value.

As for future outlook, the outlook of existing businesses is relatively clear, for example in advertising, our original business. We also think that the outlook is relatively clear for the commerce business, which we have recently started to focus on.

On the other hand, we think that new businesses will have to be examined as we carry out our strategies. Mobile payment has just begun but is an extremely important area. For instance, we have expanded into various services originating from the search service while some competitors have done the same from their communication service. However, it is rare to have a new service area that can rapidly expand from another service. We think that mobile payment is one of such rare service fields and that we should not miss this opportunity. We will continue to consider what the ultimate revenue model will be as we promote the business, but think that we have captured the key drivers of this service to a certain extent.

Q. Your aim is to become the No.1 in Japan in terms of e-commerce transaction value (sale of goods), Internet ad revenue and mobile payment transaction value. How much lead from the No.2 position are you aiming for? This may not generate profit unless you have a commanding lead.

A. As a manager I hope to become No.1 with as much lead as possible, but a realistic target for now is first and foremost to become No.1 in ranking. Also, I do not think profit can only be generated with a commanding lead. For example, Yahoo! Shopping was able to generate profits in FY2016 by improving efficiency of point-reward expenses. I believe it is possible to generate profits within the business scale of the time.

Q. More specifically, what level of operating income do you aim to achieve by FY202X?

A. Since we will be making large-scale investments and taking on big challenges, of course we hope to ultimately increase our operating income as much as possible. However, we will be investing in fields that are new even worldwide, such as mobile payment; therefore, we would like to refrain from disclosing a specific target figure for operating income at this point.

Q. How much expenditure do you expect to spend for sales promotional activities in FY2018?

A. Expenditure for sales promotional activities in FY2017 was JPY 56 billion. We expect this to be around JPY 70 billion in FY2018.

Q. You explained that in FY2018, you expect income increase due to business growth and improved efficiency will be offset by increases in personnel expenses and facility-related expenses, etc. When do you expect income increase due to business growth and improved efficiency to exceed such expenses?

A. For FY2018, the growth rate of revenue from advertising is not expected to be that high. However, if we can achieve ad monetization in advance while we spend the expenditures for new challenges, we expect that income excluding the additional investments will increase.

Q. In FY2018, will you keep the target of continuing to have a YoY 30% increase in Shopping transaction value over several fiscal years? If yes, with what kind of measures do you hope to implement in order to achieve such target?

A. We hope to keep the target of YoY 30% increase in Shopping transaction value until we become No.1 in Japan in terms of EC transaction value (sale of goods), and to continue to achieve this target. In addition to expanding the use by SoftBank members, we think it is necessary to continue improving the basic service qualities, namely, UI, variety of products and logistics.

Q. What is the target figure for the number of merchants for mobile payment in FY2018? And how do you expect to acquire these merchants?

A. We will refrain from disclosing a specific target figure. However, when we think about user experience, we think that it is desirable to have as many merchants as possible, both big and small, adopt our mobile payment method. We decide our internal target figure by calculating backwards from the number of retailers in Japan. We intend to increase the sales force through contract employees and sales agency agreements in order to win merchants.

Q. How do you intend to make use of point-reward in the course of disseminating mobile payment?

A. Rather than through the use of point-reward, we intend to disseminate mobile payment

through increased usability such as ability to use the payment method in many stores, and easiness of payment compared to paying by cash. We hope to find the best possible usage promotion method taking other companies' cases into consideration.

Q. Please explain the FY2017 result of investments made in order to become a data-driven company.

A. We have seen successful results in some services. They are small results if you look at them individually; however, when accumulated, they are contributing to our business growth. Recently, we have gathered a lot of attention when we began providing an "abnormal congestion forecast" function in our "Yahoo! Transit Navigation" app. This forecasts the level of congestion in the users' destination utilizing data, such as data on transit searches and data gathered by Twitter, our partner. Currently, we are developing a technology with which data will be centrally managed so that data of other fields can be used to grow various services.

Q. We regard that the number of daily UB has almost reached the Japanese population and are concerned that it may become a KPI unsuitable to appropriately express the growth of the Media business. Are you considering a new KPI for the Media business?

A. In the future we think that the number of times used per day and time spent will become important in addition to the number of users. Thus, we are considering various KPIs.