

August 21, 2014  
SoftBank Corp.

**GungHo Online Entertainment, Inc.'s Transfer of Shares  
in its Specified Subsidiary to SoftBank**

GungHo Online Entertainment, Inc. ("GungHo"), a subsidiary of SoftBank Corp. (the "Company"), announces that today its Board of Directors resolved to conclude a share transfer agreement with the Company under which GungHo will transfer all of its shares in its specified subsidiary GGF B.V. to the Company (the "Transaction").

GGF B.V. has invested in Supercell Oy ("Supercell"), a subsidiary of the Company, through a special purpose company Kahon 3 Oy. Kahon 3 Oy is 79.9% owned by Kahon 2 Oy, a wholly-owned subsidiary of the Company, 20% by GGF B.V. and 0.1% by directors of Supercell Mr. Ilkka Paananen and Mr. Mikko Kodisoja, and holds 51% (diluted) of voting stock of Supercell. After the Transaction, the Company's ownership in Kahon 3 Oy will reach 99.9%.

**1. Reason for the Transaction**

The Transaction was proposed to the Company by GungHo based on the reasons described in "1. Reason for the transfer" as attached. Through its global top selling\* mobile gaming titles Clash of Clans, Hay Day and Boom Beach, Supercell is expected to sustain high growth going forward. The Company positions the partnership with Supercell as the pillar of its mobile content strategy and accepted the proposal, since it believes that strengthening relations with Supercell through the Transaction will help the growth of the SoftBank Group in the long run.

\*App Annie: Clash of Clans, Hay Day and Boom Beach ranked No. 1 on the Highest Grossing Game Ranking for iPad as of August 6, 2014, in 146, 121 and 81 countries respectively.

**2. Impact on the Financial Results**

The impact of the Transaction on the Company's consolidated results of operations for the fiscal year ending March 31, 2015 will be minor.

August 21, 2014

To whom it may concern

|                |                                                                                                                     |
|----------------|---------------------------------------------------------------------------------------------------------------------|
| Company name   | GungHo Online Entertainment, Inc.                                                                                   |
| Representative | Kazuki Morishita, Representative Director<br>& President, CEO<br>(Securities Code: 3765)                            |
| Contact person | Kazuya Sakai, Director & CFO, Executive<br>General Manager of Finance Accounting<br>Division<br>(TEL: 03-6895-1650) |

Notice on transfer of shares resulting in transfer of a special subsidiary company and on  
posting of extraordinary income

The Company hereby announces that at the meeting of its Board of Directors held on August 21, 2014, the Company resolved to conclude a share transfer agreement with SoftBank Corp. (hereinafter, "SoftBank") concerning the transfer of all shares of GGF B.V., which is a special subsidiary company, to SoftBank. With the transfer of shares of the said special subsidiary company, Kahon 3 Oy, which owns 51% of Supercell Oy, will cease to be a company accounted for by the equity method and extraordinary income is planned to be posted as a result of the share transfer, as follows.

1. Reason for the transfer

As announced in "Acquisition of shares of Supercell by GungHo and SoftBank," dated October 15, 2013, to aim for further growth by leveraging its partnership with SoftBank, the Company invested in Supercell Oy (hereinafter, "Supercell"), a mobile game company headquartered in Finland and has aimed to further enhance its global development through powerful overseas marketing of Supercell, which operates business in 100 or more countries around the world, and the position of the company in each country.

As a result, the Company received promotional support in the European and American markets in the form of in-game customer transfers which not only contributed to increased downloads of the Company's game but also helped elevate awareness of "Puzzle & Dragons" and the Company in those markets.

In order to realize further growth strategy, this matter will be carried out with the purposes of the Company strengthening the financial base and making selective and focused investments towards emerging markets (such as China, Southeast Asia, South America). Additionally, as a SoftBank group company, the Company's position to support the growth of both companies will remain unchanged and appropriate exchange of information will take place even after the transfer is complete. Also, GungHo and Supercell Oy will continue their partnership which so far has included for example cross promotion of their games and sharing market insights.

GGF B.V., which will be transferred as a result of the share transfer, is a special subsidiary company established in the Netherlands in October 2013, aimed at the acquisition of shares of

Supercell. Kahon 3 Oy, a special purpose company, set up in Finland jointly with SoftBank through the said special subsidiary company, acquired 51% shares of Supercell.

## 2. Outline of the subsidiary to be transferred

|     |                                                                                                                                               |                                                                                                                                |                                                                                                                                                                                                                                                                                                                    |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) | Name                                                                                                                                          | GGF B.V.                                                                                                                       |                                                                                                                                                                                                                                                                                                                    |
| (2) | Location                                                                                                                                      | Province Noord-Holland, the Netherlands                                                                                        |                                                                                                                                                                                                                                                                                                                    |
| (3) | Names and titles of representatives                                                                                                           | Director Kazuya Sakai<br>Director Toshio Genba<br>Director de Sonnaville, Bart Willem<br>Director van Ginkel, Jacobus Johannes |                                                                                                                                                                                                                                                                                                                    |
| (4) | Business                                                                                                                                      | Pure holding company                                                                                                           |                                                                                                                                                                                                                                                                                                                    |
| (5) | Capital                                                                                                                                       | 1 euro (Approximately 132 Japanese yen)                                                                                        |                                                                                                                                                                                                                                                                                                                    |
| (6) | Date of establishment                                                                                                                         | October 21, 2013                                                                                                               |                                                                                                                                                                                                                                                                                                                    |
| (7) | Major shareholder and ownership ratio                                                                                                         | The Company: 100%                                                                                                              |                                                                                                                                                                                                                                                                                                                    |
| (8) | Relationship between the listed company and the said company                                                                                  | Capital relationship                                                                                                           | The Company holds 100% of the voting rights of the said company.                                                                                                                                                                                                                                                   |
|     |                                                                                                                                               | Personnel relationship                                                                                                         | One officer and one employee of the Company concurrently serve as officers of the said company.                                                                                                                                                                                                                    |
|     |                                                                                                                                               | Business relationship                                                                                                          | There is no business relationship to be stated between the persons concerned with and affiliated companies of the Company and the said company, while there is no business relationship worthy of special mention between the persons concerned with and affiliated companies of the Company and the said company. |
| (9) | Consolidated operating results and consolidated financial position of the said company in the last three years (1 euro = 138.42 Japanese yen) |                                                                                                                                |                                                                                                                                                                                                                                                                                                                    |
|     | Accounting period                                                                                                                             | Period ended June 2014                                                                                                         |                                                                                                                                                                                                                                                                                                                    |
|     | Total equity                                                                                                                                  | 227,121 thousand euro (31,438 million yen)                                                                                     |                                                                                                                                                                                                                                                                                                                    |
|     | Total assets                                                                                                                                  | 227,141 thousand euro (31,440 million yen)                                                                                     |                                                                                                                                                                                                                                                                                                                    |
|     | Net assets per share                                                                                                                          | 227,121 thousand euro (31,438 million yen)                                                                                     |                                                                                                                                                                                                                                                                                                                    |
|     | Net sales                                                                                                                                     | 0 euro (-million yen)                                                                                                          |                                                                                                                                                                                                                                                                                                                    |
|     | Operating income                                                                                                                              | △ 35 thousand euro (△ 4 million yen)                                                                                           |                                                                                                                                                                                                                                                                                                                    |
|     | Ordinary income                                                                                                                               | △ 36 thousand euro (△ 4 million yen)                                                                                           |                                                                                                                                                                                                                                                                                                                    |
|     | Net income                                                                                                                                    | △ 36 thousand euro (△ 4 million yen)                                                                                           |                                                                                                                                                                                                                                                                                                                    |
|     | Net income per share                                                                                                                          | △ 36 thousand euro (△ 4 million yen)                                                                                           |                                                                                                                                                                                                                                                                                                                    |
|     | Dividend per share                                                                                                                            | 0 euro (-yen)                                                                                                                  |                                                                                                                                                                                                                                                                                                                    |

\*GGF.B.V. was established on October 21, 2013. Thus, the accounting information only shows one period..

## 3. Outline of the purchaser of shares

|       |                                                              |                                                                                                                                                  |                                                                                                                                                                                                                                                                                                  |
|-------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ( 1 ) | Name                                                         | SoftBank Corp.                                                                                                                                   |                                                                                                                                                                                                                                                                                                  |
| ( 2 ) | Location                                                     | 1-9-1 Higashi-shimbashi, Minato-ku, Tokyo                                                                                                        |                                                                                                                                                                                                                                                                                                  |
| ( 3 ) | Name and title of representative                             | Masayoshi Son, Chairman & CEO                                                                                                                    |                                                                                                                                                                                                                                                                                                  |
| ( 4 ) | Business                                                     | Pure holding company                                                                                                                             |                                                                                                                                                                                                                                                                                                  |
| ( 5 ) | Capital                                                      | 238,772 million yen                                                                                                                              |                                                                                                                                                                                                                                                                                                  |
| ( 6 ) | Total equity                                                 | 2,830,382 million yen                                                                                                                            |                                                                                                                                                                                                                                                                                                  |
| ( 7 ) | Total assets                                                 | 16,690,127 million yen                                                                                                                           |                                                                                                                                                                                                                                                                                                  |
| ( 8 ) | Date of establishment                                        | September 3, 1981                                                                                                                                |                                                                                                                                                                                                                                                                                                  |
| ( 9 ) | Major shareholders and ownership ratios                      | Masayoshi Son: 19.26%<br>The Master Trust Bank of Japan, Ltd. (Trust account): 4.88%<br>Japan Trustee Services Bank, Ltd. (Trust account): 4.02% |                                                                                                                                                                                                                                                                                                  |
| (10)  | Relationship between the listed company and the said company | Capital relationship                                                                                                                             | SoftBank, which possesses all voting rights of Softbank Mobile Corp., and Masayoshi Son (Chairman & CEO of the company), who has close relations with the company, own 6,739,200 voting rights (voting right ownership rate: approximately 59%) pertaining to 673,920,000 shares of the Company. |
|       |                                                              | Personnel relationship                                                                                                                           | Norikazu Oba, Deputy General Manager of the Finance Department and group manager of Finance Management of SoftBank, concurrently serves as a director of the Company.                                                                                                                            |
|       |                                                              | Business relationship                                                                                                                            | There is no business relationship worthy of special mention.                                                                                                                                                                                                                                     |

#### 4 . Number of shares transferred, transfer valuation and equity securities before and after transfer

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                    |                                                            |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------|
| ( 1 ) Equity securities before transfer        | 1 share    Ownership 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                    |                                                            |
| ( 2 ) Transfer valuation                       | 1 share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | GGF.B.V. share<br>Advisory fee etc. (estimate)<br>Total (estimate) | 35,725 million yen<br>△6 million yen<br>35,719 million yen |
| ( 3 ) Equity securities after transfer         | 0 shares    Ownership 0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                    |                                                            |
| ( 4 ) Computation basis for transfer valuation | To ensure fairness in deciding the share transfer price, the Company requested Prutus Consulting, an independent third-party entity, to compute the share transfer price. As of August 20, 2014, the Company has obtained the share price valuation report. In the share price valuation report, the share value was computed as follows: GGF B.V., the special subsidiary company, is the direct subject company of the valuation. The computation of the share value of said company is based on Kahon 3 Oy, of which the said company has a 19.97% investment and Supercell Oy, of which Kahon 3 Oy has a 51% investment. Thus, these companies are included as indirect subject companies of the valuation and appropriate |                                                                    |                                                            |

|  |                                                                                                                                                                                                                                                                    |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | valuation methods were carried out respectively. The share transfer price is decided using the valuation of 29,596 million yen ~ 40,337 million yen as a reference as well as taking an overall consideration of GGF B.V.'s situation and purposes of this matter. |
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6 . Schedule of share transfer

August 21, 2014: Resolution by the Board of Directors

August 25, 2014: Conclusion of share transfer agreement, transfer of shares

7 . Posting of extraordinary income and future outlook

As a result of the said transfer, extraordinary income of 7,591 million yen is projected, at this stage, to be posted as gain on sales of shares of subsidiaries and associates in the consolidated settlement of accounts for the fiscal year ending December 31, 2014.

8 . Matters related to transactions, etc. with controlling shareholders

Softbank is the Company's parent company and this transaction falls under transactions, etc. with controlling shareholders.

The Company determines as set forth below, as stated in "4. Guideline for measures to protect minority shareholders when transactions, etc. with controlling shareholders are conducted" of the Company's "Corporate Governance Report" disclosed as of March 31, 2014.

When dealing with a transaction with the parent company, to protect the rights of the minority shareholders, the advisability and conditions etc. are fully discussed and negotiated before a decision is made by the Board of Directors. The Company will take the appropriate steps to not let the minority shareholders in an unfavorable position.

As a measure to secure fairness and appropriateness of this transaction and a specific measure to avoid conflict of interests with the controlling shareholder, as well as to ensure fairness in deciding the price, the Company requested Brutus Consulting, an independent third-party entity, to compute the share transfer price. As of August 20, 2014, the Company has obtained the share price valuation report. As of the same day, in addition to the share price valuation report, The Company have also obtained a opinion letter ("fairness opinion") from Brutus Consulting, that based on a set of pre-conditions the agreed upon price is appropriate for The Company's minority shareholders from a financial perspective.

Further, regarding this transfer, to avoid any conflict of interests, Director Norikazu Oba, who concurrently holds the position of assistant to the Manager of the Finance Department and group manager of Finance Management of SoftBank, did not take part in the discussions and final decision of the transfer, nor did he take part in the discussions and negotiations from the position of The Company. Additionally, corporate auditors who attended the Board of Directors meeting and hold no interest in this transaction stated their opinions that they had no objections to the approval of the proposal regarding this transaction.

Further, at the meeting of its Board of Directors held on August 21 2014, The Company have obtained opinions from The Company's outside corporate auditors and independent officers Yoichiro Ando, Hiroto Uehara and Toshiro Kaba, as follows: 1) This transaction was carried out according to the formalities set internally, 2) The conditions of this transaction are appropriate and does not deviate when compared to other standard transactions, and 3) This transaction contributes to growth of The Company's corporate value and therefore is not unfavorable to the Company's

minority shareholders.

Therefore, the Company understands that this share transfer does not fall under transactions against the interests of minority shareholders of the Company and that it conforms to the details of the “Guideline for measures to protect minority shareholders when transactions, etc. with controlling shareholders are conducted.”

(Reference) Consolidated forecast for FY2014 (January 1, 2014 through December 31, 2014

(Amounts are rounded off to the nearest million yen)

|                      | Net Sales       | Operating Income | Ordinary income | Net income      | Net income per share |
|----------------------|-----------------|------------------|-----------------|-----------------|----------------------|
|                      | Millions of Yen | Millions of Yen  | Millions of Yen | Millions of Yen | Yen                  |
| FY2014<br>(Forecast) | —               | —                | —               | —               | —                    |
| FY2013               | 163,060         | 91,228           | 90,104          | 54,768          | 47.56                |

※The GungHo Group engages in the content business that is highly novel in nature and is subject to facing sudden, short-term changes in the operating environment. Since this makes it difficult to calculate proper and rational earnings forecasts, the Company adopts the policy of providing timely disclosure of financial results and summary of operations on a quarterly basis while refraining from disclosing its full-year consolidated earnings forecast.

※The Company conducted a 100-for-1 stock split of its common shares effective January 1, 2014. In regard to the fiscal year ended December 31, 2013, dividends prior to the stock split are indicated.