June 1, 2016

SoftBank Group Corp.

# SoftBank Announces a Minimum $7.9 Billion Monetization of its Alibaba Stake in Coordination with Alibaba Group

*Proceeds from Capital Raise to Reduce SoftBank's Leverage*

*Consistent with the Company's SoftBank 2.0 Disciplined Capital Structure Management Strategy*

*SoftBank to Remain Alibaba's Largest Stockholder and Close Strategic Partner*

SoftBank Group Corp. ("SBG") today announced that it has approved a series of capital raising transactions (the "Transactions") which involve monetizing a portion of the shares of Alibaba Group Holding Limited ("Alibaba") held by SBG's wholly owned subsidiary SB China Holdings Pte Ltd ("SB China").

Specifically, the Transactions are comprised of (i) the intended sale of $2.0 billion of Alibaba ordinary shares to Alibaba, (ii) the intended sale of $400 million of Alibaba ordinary shares to members of the Alibaba Partnership acting collectively, and the sale of $500 million of Alibaba ordinary shares to a major sovereign wealth fund pursuant to an exemption from registration under the U.S. Securities Act and (iii) an intention of the Mandatory Exchangeable Trust ("Trust"), a newly formed trust, to offer, subject to market conditions and other factors, $5.0 billion aggregate purchase price of its mandatory exchangeable trust securities ("Trust Securities") exchangeable into American depositary shares ("ADSs") of Alibaba in a private placement to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act. The Trust expects to grant the initial purchasers of the Trust Securities an option to purchase up to an additional $1.0 billion aggregate purchase price of Trust Securities.

## 1. Purpose of the Transactions

Following SBG's first investment in Alibaba in 2000, the two companies have built a close relationship through business partnerships, joint ventures, joint investments and other collaborations. SBG Group held 32.2%[1] of Alibaba's issued and outstanding shares as of March 31, 2016, and Alibaba is an equity method associate of SBG. SBG continues to be committed to its partnership with Alibaba, and the Transactions are driven purely by SBG's capital structure and de-leveraging objectives.

A disciplined approach to capital structure and leverage is fundamental to our SoftBank 2.0 transformation strategy. The Transactions are expected to allow SBG to monetize a portion of its Alibaba shares in order to increase its liquidity cushion, improve SBG's consolidated net interest-bearing debt / EBITDA ratio (excluding Sprint Corporation) from 3.8x as of March 31, 2016 to approximately 3.3x[2], and enable flexible and prudent financial management. The sale of Trust Securities is expected to allow SBG to monetize its shares at a potential premium to the current share price, while eliminating downside

[1] Based on the number of shares issued and outstanding as listed on the Alibaba Form 20-F filed on May 24, 2016. Same below

[2] Excluding the Trust Securities in the calculation

risks as a result of owning these shares. The Trust Securities are expected to be settled upon exchange by delivery of Alibaba ADSs representing the pledged shares, which is expected to occur on the scheduled exchange date (in 3 years), and both the sale of Alibaba ordinary shares and the issuance of the Trust Securities will enhance SBG's financial profile. SBG plans to use the proceeds of the Transactions for the repayment of interest-bearing debt as well as other general corporate purposes.

SBG would continue to hold approximately 28%[3] of Alibaba's total outstanding shares following the Transactions (excluding the ordinary shares that are expected to collateralize the Trust Securities). Alibaba will remain an equity method associate of SBG. SBG expects that its Alibaba shares will continue to be a core shareholding of SBG and it intends to maintain its strong relationship with Alibaba. SBG's Chairman & CEO, Masayoshi Son, will remain a board director of Alibaba, and Alibaba's Executive Chairman, Jack Ma, will remain a board director of SBG.

In connection with the Transactions, SBG will also enter into a lockup agreement with Alibaba under which it has agreed not to transfer any Alibaba shares held by it for a period of six months, subject to certain exceptions.

"When I first met Jack Ma, I knew immediately he had the vision and passion to build the world's leading e-commerce company, and I was very happy to invest alongside him to help him realize his ambition." said SBG Chairman and CEO Masayoshi Son. "This investment has been phenomenally successful and, over the past 16 years, we have built a close relationship, working together on many exciting projects. In that time, we have not sold any Alibaba shares. There are huge opportunities ahead for Alibaba and SBG looks forward to the continued partnership."

**2. Overview of the Transactions**

The Trust will enter into a variable forward purchase agreement to acquire Alibaba shares from West Raptor Holdings, LLC ("WRH LLC"), a wholly owned subsidiary of SoftBank Group International GK ("SBIGK"), which in turn is wholly owned by SBG. At the closing of the offering of the Trust Securities, the Trust will pay to WRH LLC the proceeds received from the issuance of the Trust Securities, excluding amounts in respect of the Trust's expenses and amounts used to purchase U.S. Treasury securities, which will fund quarterly distributions on the Trust Securities. At the exchange date, which is expected to be the first scheduled trading day after June 1, 2019, the Trust will exchange each Trust Security for a certain number of ADSs (determined with reference to the trading price of the ADSs at that time) or, subject to WRH LLC's election, cash or a combination of cash and ADSs. Under certain circumstances, including at WRH LLC's election, the Trust Securities may be exchanged prior to the scheduled exchange date.

In addition, SB China will enter into separate share purchase transactions with each of Alibaba, members of the Alibaba Partnership, acting collectively, and a major sovereign wealth fund for the purchase of approximately $2.9 billion of Alibaba shares held by SB China, of which approximately $2.0 billion of the total is being purchased by Alibaba. The sales to members of the Alibaba Partnership acting collectively, and a major sovereign wealth fund would be exempt from registration pursuant to an exemption from registration under the U.S. Securities Act, and the shares would be eligible for resale

[3] Excluding ordinary shares expected to be pledged as Trust Securities collateral and ordinary shares to be subject to additional purchase option and assuming shares purchased by Alibaba will be cancelled

under Rule 144 following a 6-month holding period (subject to additional restrictions applicable with respect to shares acquired by affiliates under Rule 144).

**3. Impact on Consolidated Financial Results**

The impact on consolidated financial results from the Transactions will be disclosed as necessary once it is determined.

**4. Schedule**

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| Pricing of Trust Securities | June 1, 2016 (US time) |
| Closing of Share Sales | June 10, 2016 (US time) (except in the case of the purchase by members of the Alibaba Partnership, acting collectively, which is expected to close in approximately 45 days) |
| Closing of the Trust Securities | June 10, 2016 (US time) |

*Neither the Trust Securities nor any of the ordinary shares or ADSs underlying the* Trust Securities *have been or will be registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities laws of any other state or jurisdiction, and may not be offered or sold without registration or an applicable exemption therefrom. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.*