August 24, 2016
SoftBank Group Corp.

Public Offering of Hybrid Bonds (with a Subordination Provision)

SoftBank Group Corp. ("SBG") announces today that it has filed an Amended Shelf Registration Statement to the Kanto Local Finance Bureau in regard to an issuance (the "Issuance") of publicly offered subordinated hybrid bonds (the "Hybrid Bonds") for institutional investors and individual investors as follows.

1. Purpose and Background of the Issuance

SBG has decided to issue the Hybrid Bonds where it could expect to obtain a certain degree of equity credit from rating agencies to enhance its financial strength after the acquisition of ARM Holdings plc ("ARM") of the United Kingdom.

As described in "Recommended Acquisition of ARM by SoftBank" dated July 18, 2016, SBG reached an agreement with ARM on July 18, 2016 on the terms of a recommended all cash acquisition of the entire issued and to be issued share capital of ARM by SBG, amounting approximately GBP 24.0 billion (approximately JPY 3.3 trillion) by means of a court-sanctioned scheme of arrangement. The scheme is expected to be effective on September 5, 2016 subject to the satisfaction of customary terms including the sanction of the ARM's court meeting and an approval of ARM's general meeting of shareholders, both of which are scheduled on August 30, 2016.

2. Summary of the Issuance

Terms and conditions of the Hybrid Bonds are as follows.

(1) Unsecured subordinated bonds with interest deferrable clause and early redeemable option (with a subordination provision) (mainly for institutional investors)

		1st	2nd
1.	Total amount of issue	To be decided	To be decided
2.	Denomination per bond	JPY 100 million	
3.	Initial coupon rate	To be decided (tentatively 2.9 - 3.1% per annum)	To be decided (tentatively 3.4 - 3.6% per annum)
		(To be decided on September 9, 2016)	
4.	Term	25 years	27 years
5.	Maturity date	September 13, 2041	September 16, 2043
	Early redemption	SBG may, at its discretion, redeem the Hybrid Bonds on any interest payment date on or after September 16, 2021.	SBG may, at its discretion, redeem the Hybrid Bonds on any interest payment date on or after September 16, 2023.
6.	Coupon payment dates	March 16 and September 16 of each year	
7.	Offering period	September 9, 2016	

8.	Closing date	September 16, 2016
9.	Method of offering	Offering to the general public in Japan
10.	Market	Mainly institutional investors
11.	Collateral	No collateral or guarantee is pledged and no assets are specifically reserved to secure the Hybrid Bonds.
12.	Covenants	No financial covenants for the Hybrid Bonds
13.	Subordination	As to the payment of debt in SBG's liquidation or other bankruptcy proceedings, the Hybrid Bonds shall be subordinated to SBG's indebtedness (including subordinated bonds issued in 2014 and 2015 by SBG), ranking substantially pari passu with its preferred stock (if issued) and senior to SBG's common stock.
14.	Underwriters	Nomura Securities Co., Ltd. Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
15.	Fiscal agent	Mizuho Bank, Ltd.
16.	Book-entry transfer institution	Japan Securities Depository Center, Inc.
17.	Preliminary Rating	BBB (Japan Credit Rating Agency, Ltd.)

(2) Unsecured subordinated bond with interest deferrable clause and early redeemable option (with a subordination provision) (mainly for individual investors)

		3rd
1.	Total amount of issue	JPY 350 billion
2.	Denomination per bond	JPY 1 million
3.	Initial coupon rate	To be decided (tentatively 2.9 - 3.1% per annum) (to be decided on September 9, 2016)
4.	Term	25 years
5.	Maturity date	September 30, 2041
	Early redemption	SBG may, at its discretion, redeem the Hybrid Bonds on any interest payment date on or after September 30, 2021.
6.	Coupon payment dates	March 30 and September 30 of each year
7.	Offering period	From September 12, 2016 to September 29, 2016
8.	Closing date	September 30, 2016
9.	Method of offering	Offering to the general public in Japan
10.	Market	Mainly individual investors
11.	Collateral	No collateral or guarantee is pledged and no assets are specifically reserved to secure the Hybrid Bonds.
12.	Covenants	No financial covenants for the Hybrid bond

13.	Subordination	As to the payment of debt in SBG's liquidation or other bankruptcy proceedings, the Hybrid Bonds shall be subordinated to SBG's indebtedness (including subordinated bond issued in 2014 and 2015 by SBG), ranking substantially pari passu with its preferred stock (if issued) and senior to SBG's common stock.
14.	Underwriters	Mizuho Securities Co., Ltd. SMBC Nikko Securities Inc. Daiwa Securities Co. Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
15.	Trustee	Aozora Bank, Ltd.
16.	Book-entry transfer institution	Japan Securities Depository Center, Inc.
17.	Preliminary Rating	BBB (Japan Credit Rating Agency, Ltd.)

The Hybrid Bonds are recorded as bonds from accounting perspective, however, they allow the issuer an option to defer interest payment and have a longer maturity than senior bonds and loans while their payment priority can be considered as subordinated to senior indebtedness. Under these terms and conditions similar to equity in nature and characteristics, SBG expects the Hybrid Bonds will be eligible for 50% equity treatment from rating agencies (Japan Credit Rating Agency, Ltd. and Standard & Poor's Ratings Japan K.K.).

3. Schedule

SBG has filed today an Amended Shelf Registration Statement to the Kanto Local Finance Bureau in regard to the Issuance. Detailed terms and conditions including pricing are scheduled to be determined on September 9, 2016 subject to market conditions.

The Hybrid Bonds will be the first public placement widely targeted at individual investors by an operating company in Japan.

This press release relates to offerings of Japanese Yen-denominated Bonds (the "Bonds") that are intended to be directed into Japan and its residents thereof in accordance with the law, customary practices and documentation in Japan. This press release does not constitute an offer of any securities for sale in the United States. The Bonds have not been registered under the United States Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States absent registration or an application exemption from the registration requirements under the Act.