November 7, 2016
SoftBank Group Corp.

Recognition of Derivative Loss

SoftBank Group Corp. (“SBG”) announces that it recognized derivative loss in its consolidated financial statements for the six-month period ended September 30, 2016 as follows.

1. Outline of derivative loss

SBG recorded derivative loss of JPY 170,058 million in its consolidated financial statements for the six-month period ended September 30, 2016. This was mainly attributable to loss on valuation of derivatives of JPY199,189 million recorded related to a collar transaction included in a variable prepaid forward contract for the shares of Alibaba Group Holding Limited (“Alibaba”). For details of the contract, please refer to ”SoftBank Announces a Minimum $7.9 Billion Monetization of its Alibaba Stake in Coordination with Alibaba Group” dated June 1, 2016.

The collar transaction is measured at the end of each quarter based on fair value (primarily linked to the share price of Alibaba). The cumulative derivative income and loss for the three years, from the conclusion of the variable prepaid forward contract on June 10, 2016 until the settlement date, would be a loss of $900 million and this equals to the amount of derivative assets initially recognized.

2. Impact on SBG’s financial statements

For the impact of the aforementioned derivative loss on SBG’s financial statements, please refer to SBG’s Consolidated Financial Report for the six-month period ended September 30, 2016 published today on November 7, 2016.