May 10, 2017
SoftBank Group Corp.

Reversal of Deferred Tax Liabilities and Recognition of Deferred Tax Assets

SoftBank Group Corp. ("SBG") announces that it partly reversed deferred tax liabilities and newly recognized deferred tax assets in its consolidated financial statements for the fiscal year ended March 2017 as follows.

1. Outline of reversal of deferred tax liabilities and recognition of deferred tax assets

SBG's then wholly-owned subsidiary, SOFTBANK GROUP CAPITAL APAC PTE. LTD. ("APAC," currently Foxconn Ventures Pte. Ltd., a joint venture of Foxconn Technology Group of Taiwan and SBG), sold a portion of its shares held in Alibaba Group Holding Limited ("Alibaba") to SBG, SBG's wholly-owned subsidiary West Raptor Holdings, LLC ("WRH LLC"), and third parties, from June to August 2016.

As a consequence of this transaction, the tax basis of Alibaba shares exceeded its consolidated carrying amount on the accounting basis. SBG therefore reversed deferred tax liabilities of JPY 382,604 million for the temporary differences (between the consolidated carrying amount on the accounting base and the tax base) in the investment in Alibaba, in its consolidated financial statements for the fiscal year ended March 2017. Also, SBG recognized deferred tax assets of JPY 179,373 million for the temporary difference (between the carrying amount on the accounting base and the tax base) of the Alibaba shares sold to WRH LLC, as they are planned to be sold in 2019.

2. Impact on SBG's financial results

For the impact of the aforementioned reversal of deferred tax liabilities and recognition of deferred tax assets on SBG's financial results, please refer to SBG's Consolidated Financial Report for the fiscal year ended March 31, 2017 (IFRS) published today on May 10, 2017.