May 10, 2017
SoftBank Group Corp.

Recognition of Derivative Loss

SoftBank Group Corp. ("SBG") announces that it recognized derivative loss in its consolidated financial statements for the fiscal year ended March 2017 as follows.

1. Outline of derivative loss

SBG recorded derivative loss of JPY 252,815 million in its consolidated financial statements for the fiscal year ended March 2017. This was mainly attributable to loss on valuation of derivatives of JPY 232,729 million recorded in relation to collar transaction included in variable prepaid forward contract for shares in 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 fair value (primarily linked to the share price of Alibaba) on each quarter-end. The cumulative derivative gain and loss for the three years, from the conclusion of the variable prepaid forward contract on June 10, 2016 until the settlement date, will be a loss of USD 900 million, equal to the amount of derivative assets initially recognized.

2. Impact on SBG's financial results

For the impact of the aforementioned derivative loss on SBG's financial statements, please refer to SBG's Consolidated Financial Report for the fiscal year ended March 31, 2017 (IFRS) published today on May 10, 2017.