July 27, 2019
SoftBank Group Corp.

Approval with Conditions from the US Department of Justice on Merger of Sprint and T-Mobile and Update on Expected Closing Schedule

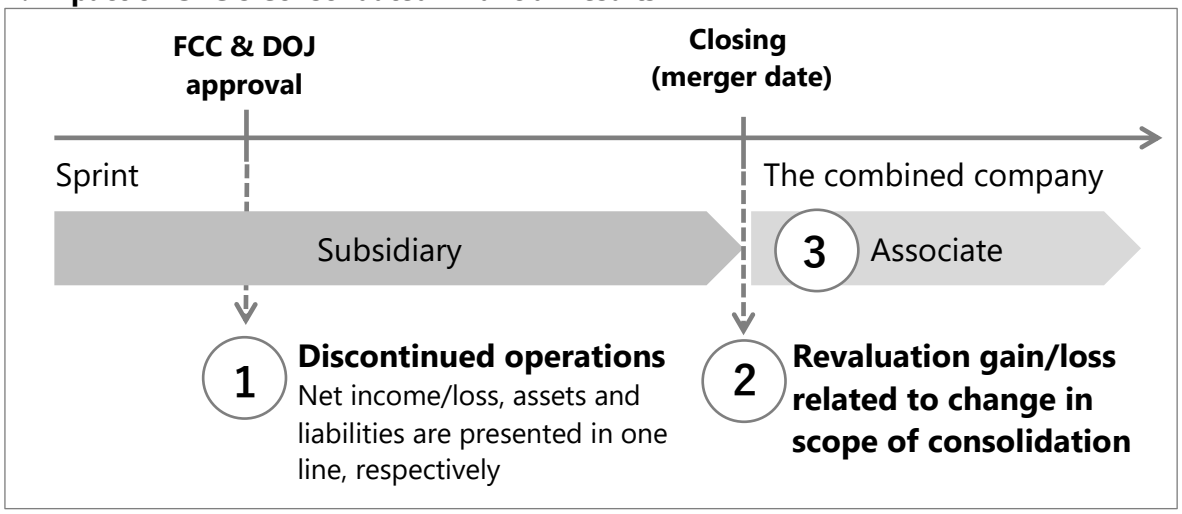
SoftBank Group Corp. ("SBG") announced that on July 26, 2019 (ET) the Antitrust Division of the United States Department of Justice (DOJ) has announced its approval (the "Approval"), subject to the terms of a proposed consent decree filed by the DOJ, regarding the pending merger of Sprint Corporation ("Sprint"), a U.S. subsidiary of SBG, and T-Mobile US, Inc. ("T-Mobile"), in an all-stock transaction (the "Transaction"), as announced in "SPRINT AND T-MOBILE TO COMBINE, ACCELERATING 5G INNOVATION & INCREASING COMPETITION" dated April 30, 2018 (the "Initial Announcement"). The DOJ's action moves the Transaction one step closer to closing. In connection with the DOJ's action, Sprint and T-Mobile agreed to sell Sprint's prepaid wireless business to DISH Network Corporation, subject to closing of the Transaction and other conditions.

SBG also announced that the definitive agreement (the "Business Combination Agreement") between Sprint and T-Mobile was amended (the "Amendment") to extend the Outside Date (the date after which either Sprint or T-Mobile may terminate the Business Combination Agreement if the merger has not been completed by such date) to November 1, 2019,* in principle. In the Initial Announcement, the Transaction was expected to close no later than the first half of 2019, but, as of today, the expected closing date of the Transaction was not determined. It is currently anticipated that the final federal regulatory approval will be received in the three-month period ending September 30, 2019 and the Transaction will be permitted to close in the second half of the year.

1. Reason of the Amendment

Considering the Approval and the status of the progress towards the closing of the Transaction, including the progress of reviews by other regulatory authorities, it was agreed between the parties of the Transaction that the term of the Business Combination Agreement should be extended until November 1, 2019, in principle. According to the Business Combination Agreement, the closing of the Transaction is still subject to further regulatory approvals, including approval from the Federal Communications Commission (FCC) and other customary conditions.

2. Impact on SBG's Consolidated Financial Results



① Impacts of approvals on the Transaction from FCC and DOJ

Starting from the date when the Transaction received approvals from FCC and DOJ, in the Company's consolidated statement of income, Sprint's net income and loss will be presented as "net income or loss from discontinued operations" under discontinued operations, separately from continuing operations. Sprint's net income and loss for the fiscal year ended March 2019 will also be retrospectively revised and presented as "net income or loss from discontinued operations" under discontinued operations.

In the Company's consolidated financial position, assets and liabilities of Sprint will be presented as assets and liabilities held for sale.

② Impacts of the closing of the Transaction

On the date when the Transaction completes, the amount of the difference between the fair value of the shares of the combined company and the consolidated carrying amount of Sprint at the time of the Transaction is planned to be recorded as revaluation gain or loss related to change in scope of consolidation under net income or loss.

③ After the closing of the Transaction

After the date when the Transaction completes, the combined company is expected to become an equity method associate of SBG with an approximately 27.4% shareholding, and Sprint will no longer be a subsidiary of SBG.

Net sales (for customers) and operating income (segment income) for the fiscal year ended March 2019

	SBG Consolidated	Sprint segment
Net sales (for customers)	Millions of yen 9,602,236	Millions of yen 3,533,834
Operating income (segment income)	Millions of yen 2,353,931	Millions of yen 280,295

Interest-bearing debt and net interest-bearing debt as of March 31, 2019

	SBG Consolidated	Sprint
Interest-bearing debt	Millions of yen 15,685,106	Millions of yen 4,428,379
Net interest-bearing debt	Millions of yen 12,056,031	Millions of yen 3,646,010

Reference:

The Amendment also provides that the closing of the Transaction will occur on the first business day of the first month (other than the third month of any calendar quarter) where such first business day is at least three business days following the satisfaction or waiver of all of the conditions to the closing of the Transaction, or, if the Marketing Period (as defined in the Business Combination Agreement) has not ended at the time of such satisfaction or waiver, the closing shall occur on the earlier of (a) any date during or after the Marketing Period specified by T-Mobile (subject to the consent of Sprint to the extent such date falls after the Outside Date) or (b) the first business day of the first month (other than the third month of any calendar quarter) where such first business day is at least three business days following the final day of the Marketing Period. The Amendment also modifies the Business Combination Agreement so as to limit the actions the parties may be required to undertake or agree to in order to obtain any remaining governmental consents or avoid an action or proceeding by any governmental entity in connection with the Merger Transactions, recognizing the substantial undertakings already agreed to by the parties, including the transactions contemplated by that certain Asset Purchase Agreement, dated as of July 26, 2019 by and among Sprint, T-Mobile and DISH Network Corporation.

* Subject to a further extension to January 2, 2020, if the Marketing Period has begun and is in effect on November 1, 2019

Cautionary Statement Regarding Forward Looking Statements

This document contains "forward-looking statements". You should not place undue reliance on these statements. These forward-looking statements include statements that reflect the current expectations, estimates, beliefs, assumptions, and projections of SBG's senior management about future events with respect to Sprint's and T-Mobile's businesses and their industry in general. Statements that include words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "potential," "continue," "goals," "targets" and variations of these words (or negatives of these words) or similar expressions of a future or forward-looking nature identify forward-looking statements. In addition, any statements that refer to projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Although SBG believes the expectations reflected in any forward-looking statements are reasonable, they involve known and unknown risks and uncertainties, are not guarantees of future performance, and actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Any or all of SBG's forward-looking statements may prove to be incorrect. Consequently, no forward-looking statements may be guaranteed and there can be no assurance that the actual results or developments anticipated by such forward looking statements will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, SBG, Sprint, T-Mobile or their businesses or operations. Factors which could cause SBG's actual results to differ from those projected or contemplated in any such forward-looking statements include, but are not limited to, the following factors: the ability of the parties to consummate the merger transaction in a timely manner or at all; satisfaction or waiver of the conditions precedent to consummation of the merger transaction, including the ability to secure regulatory approvals in a timely manner or at all; the possibility of litigation and other unknown liabilities; the parties' ability to successfully integrate their operations, product lines, technology and employees and realize synergies and other benefits from the merger transaction; the potential impact of the announcement or consummation of the merger transaction on the parties' relationships with customers, suppliers and other third parties; and other risks described in SBG's public disclosures and Sprint's and T-Mobile's filings with the SEC. The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with statements that are included herein and elsewhere, including the risk factors included in SBG's most recent Annual Report (which you may obtain for free at SBG's website at https://group.softbank/en/corp/irinfo/financials/annual_reports/, Sprint's and T-Mobile's most recent Annual Reports on Form 10-K and more recent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC (which you may obtain for free at the SEC's website at http://www.sec.gov or on Sprint's website at http://investors.sprint.com/Home/default.aspx or on T-Mobile's website at http://investor.t-mobile.com/). SBG can give no assurance that the conditions to the merger will be satisfied. SBG does not intend, and assumes no obligation, to revise or update any forward-looking statements.