October 23, 2018

SoftBank Group Corp.

# Significant Funding to WeWork

SoftBank Group Corp. (“SBG”) and The We Company (“WeWork”), a provider of co-working space service “WeWork,” announced today an agreement under which SBG commits to provide significant funding to WeWork, as per the attached.

**Impact on consolidated financial statements**

WeWork is invested by SBG’s wholly owned subsidiary and SoftBank Vision Fund. The interest of the wholly owned subsidiary of SBG is accounted for using the equity method or the fair value method through net profit or loss, and such profit or loss will be recorded as “Income/loss on equity method investments” or “Gain/loss from financial instruments at FVTPL,” depending on the nature of the shares held. With regard to the interest of SoftBank Vision Fund, WeWork shares continue to be measured at fair value, and changes in the fair value are recorded in “Operating income from SoftBank Vision Fund and Delta Fund.”

SBG will disclose the specific amount of the impact from the event as necessary.

**WeWork Announces Significant Funding from SoftBank Group**

Finance Package Includes Combination of Debt and Equity to Fully Fund Business Plan with Objective of Profitability and Free Cash Flow

Board of Directors elects Marcelo Claure as Executive Chairman of WeWork

NEW YORK and TOKYO —October 22, 2019— The We Company ("WeWork" or the "Company") and SoftBank Group Corp. (or "SoftBank") today announced an agreement under which SoftBank commits to provide significant funding to the Company. This includes $5 billion in new financing and the launching of a tender offer by SoftBank of up to $3 billion for existing shareholders. Additionally, SoftBank will be accelerating an existing commitment to fund $1.5 billion. The funding provides WeWork with significant liquidity to execute its business plan to accelerate the Company's path to profitability and positive free cash flow.

After closing, and following the tender offer, SoftBank's fully diluted economic ownership of WeWork will be approximately 80 percent. Since SoftBank will not hold a majority of voting rights at any general stockholder meeting or board of directors ("Board") meeting and does not control the Company, WeWork will not be a subsidiary of SoftBank. WeWork will be an associate of SoftBank.

"SoftBank is a firm believer that the world is undergoing a massive transformation in the way people work. WeWork is at the forefront of this revolution. It is not unusual for the world's leading technology disruptors to experience growth challenges as the one WeWork just faced. Since the vision remains unchanged, SoftBank has decided to double down on the company by providing a significant capital infusion and operational support. We remain committed to WeWork, its employees, its member customers and landlords," said Masayoshi Son, Chairman & CEO of SoftBank Group Corp.

In connection with the agreement, WeWork's Board will appoint Marcelo Claure, Chief Operating Officer of SoftBank Group Corp., to the position of Executive Chairman of the Board of Directors of WeWork, effective upon closing of the accelerated $1.5 billion payment commitment. Adam Neumann, the founder of the Company, will become a Board observer. The size of the Board will be expanded and it will receive voting control over Mr. Neumann's shares.

"WeWork is redefining the nature of work by creating meaningful experiences through integrating design, technology and community. The new capital SoftBank is providing will restore momentum to the company and I am committed to delivering profitability and positive free cash flow. As important as the financial implications, this investment demonstrates our confidence in WeWork and its ability to continue to lead in disrupting the commercial real estate market by delivering flexible, collaborative and productive work environments to our customers. I look forward to helping WeWork realize its vision for the benefit of WeWork employees, members, landlords and communities worldwide," said Marcelo Claure.

The finance package includes:

- Existing Payment Obligation: Acceleration of SoftBank's April 2020 $1.5 billion payment obligation at $11.60 per share, expected to be completed 7 days post-signing, subject to WeWork shareholder approval;

- Tender Offer: The launch of a tender offer worth up to $3 billion to all non-SoftBank shareholders at a price of $19.19 per share, expected to commence in the fourth quarter of 2019, with closing subject to regulatory approvals and other customary closing conditions;
- New Debt: Consisting of $1.1 billion in Senior Secured Notes, $2.2 billion in Unsecured Notes, and a $1.75 billion Letter of Credit Facility. This funding is expected to occur after the completion of the tender offer; and
- Joint Venture Share Swap: All of SoftBank Vision Fund's interests in regional JVs outside of the Japan JV will be exchanged for shares in WeWork at $11.60 per share.

Artie Minson and Sebastian Gunningham, co-CEOs of WeWork, said, "This financing provides WeWork with the capital to fully realize its objective of being the partner of choice to our members and landlords, while at the same time providing a platform for growth and capital returns for shareholders and employees. We will have the flexibility to continue streamlining our assets and stabilizing the business without sacrificing our global brand and exceptional products. Narrowing our strategic focus to our core WeWork desk business will ensure we continue to provide our members with a great day at work, every day. We are fortunate to have a deep bench of experienced colleagues around the world who will help us lead in the market going forward."

"SoftBank's new strategic investment in WeWork instills strong confidence among the Company's partners and employees and will help it to grow and succeed well into the future," said William Rudin, CEO & Co-Chairman, Rudin Management Company, Inc., and co-developer of Dock 72, WeWork's first ground-up development.

**Advisors**

The Raine Group LLC is serving as lead financial advisor and Weil, Gotshal & Manges LLP and Morrison Foerster LLP are serving as legal advisor to SoftBank. Lazard Ltd. and Houlihan Lokey, Inc. are serving as financial advisors and Weil, Gotshal & Manges LLP is serving as legal advisor to the SoftBank Vision Fund.

Skadden, Arps, Slate, Meagher & Flom LLP is serving as legal advisor to WeWork. Perella Weinberg Partners LP is serving as financial advisor and Wilson Sonsini Goodrich & Rosati is serving as legal advisor to the Special Committee of the WeWork Board. Paul, Weiss, Rifkind, Wharton & Garrison LLP is serving as legal advisor to Mr. Neumann.

**About The SoftBank Group**

The SoftBank Group is a global technology player that aspires to drive the Information Revolution. The SoftBank Group is comprised of the holding company SoftBank Group Corp. (TOKYO: 9984) and its global portfolio of companies, which includes advanced telecommunications, Internet services, AI, smart robotics, IoT and clean energy technology providers. In September 2016, Arm Limited, the world's leading semiconductor IP company, joined the SoftBank Group. SoftBank Group Corp. is invested in the SoftBank Vision Fund, which plans to invest up to $100 billion in the global businesses and technologies that the SoftBank Vision Fund believes will enable the next stage of the Information Revolution. To learn more, please visit https://group.softbank/en/.

**About WeWork**

WeWork provides members around the world with space, community, and services through both physical and virtual offerings. Its mission is to create a world where people work to make a life, not just a living. As of Q2 2019, WeWork had 528 locations in over 111 cities and 29 countries. Our 527,000 memberships represent global enterprises across multiple industries, including 38% of the Global Fortune 500. We are committed to providing our members around the world with a better day at work for less.