April 2, 2020
SoftBank Group Corp.

SoftBank Group Announces End of WeWork Tender Offer Because Closing Conditions Not Met

End of Tender Offer Has No Impact on WeWork's Operations or Customers

SoftBank Group Corp. ("SoftBank") today announced that, in accordance with the terms of its October 2019 Master Transaction Agreement ("MTA") with The We Company ("WeWork"), SoftBank's tender offer for up to $3 billion worth of shares of WeWork held by other stockholders has ended because certain conditions to the tender offer were not satisfied.

The termination of the tender offer will have no impact on WeWork's operations, customers, five-year business and strategic plan, or the vast majority of WeWork's current employees. WeWork has made tremendous operational progress over the past six months and continues to execute its strategy to deliver its core space-as-a-service offering, increase its membership offerings and expand its footprint and transform into an end-to-end business solutions platform.

SoftBank and the SoftBank Vision Fund have committed more than $14.25 billion to WeWork to date, including $5.45 billion since October 2019. The most recent capital commitments include:

- In October 2019, SoftBank accelerated its investment of $1.5 billion in equity capital.
- In December 2019, SoftBank made up to $2.2 billion in debt financing available to WeWork via unsecured notes to be issued by WeWork.
- In February 2020, SoftBank provided WeWork credit support for a $1.75 billion letter of credit facility provided by Goldman Sachs and other financial institutions.

Due in part to SoftBank's financial support, as of the end of 2019, WeWork had $4.4 billion in pro forma cash and cash commitments.

When the tender offer was negotiated in October 2019, SoftBank, WeWork, WeWork's Special Committee, Adam Neumann and SoftBank Vision Fund agreed that SoftBank would not have to close the tender offer unless certain specifically negotiated conditions were satisfied. Several of the closing conditions were not satisfied by the April 1, 2020 deadline.

"SoftBank remains fully committed to the success of WeWork and has taken significant steps to strengthen the company since October, including newly committed capital, the development of a new strategic plan for WeWork and the hiring of a new, world-class management team," said Rob Townsend, Senior Vice President and Chief Legal Officer of SoftBank. "The tender offer was an offer to buy shares directly from other major stockholders and its termination has no impact on WeWork's operations or customers. The tender offer closing was conditioned on the satisfaction of certain closing conditions the parties agreed to in October of last year for SoftBank's protection. Several of those conditions were not met, leaving SoftBank no choice but to terminate the tender offer."

Mr. Townsend continued, "Given our fiduciary duty to our shareholders, it would be irresponsible of SoftBank to ignore the fact that the conditions were not satisfied and to nevertheless consummate the tender offer."

The unfulfilled closing conditions, which were agreed upon by WeWork, the Special Committee, Mr. Neumann, SoftBank and SoftBank Vision Fund, include:

- The failure to obtain the necessary antitrust approvals by April 1, 2020;
- The failure to sign and close the roll up of the China joint venture by April 1, 2020;
- The failure to close the roll up of the Asia (ex-China and ex-Japan) joint venture by April 1, 2020;
- The existence of multiple, new, and significant pending criminal and civil investigations that have begun since the MTA was signed in October 2019, in which authorities have requested information regarding, among other things, WeWork's financing activities, communications with investors, business dealings with Adam Neumann, operations, and financial condition; and
- The existence of multiple new actions by governments around the world related to COVID-19, imposing restrictions against WeWork and its operations.

Adam Neumann, his family, and certain large institutional stockholders, such as Benchmark Capital, were the parties who stood to benefit most from the tender offer. Together, Mr. Neumann's and Benchmark's equity constitute more than half of the stock tendered in the offering. In contrast, current WeWork employees tendered less than 10 percent of the total.

SoftBank previously worked with WeWork to complete an earlier phase of the tender offer that allowed over 4,000 employees to reprice out-of-the-money stock options at lower strike prices, delivering value in excess of $140 million to these employees in the form of reduced exercise prices (where such options would have been worth substantially less or nothing absent such repricing).

Impact on SoftBank's Consolidated Financial Results

SoftBank originally expected to record non-operating loss for the fiscal year ended March 2020 in the case that the tender offer was completed, which represents the difference between the acquisition cost and the fair value of the shares; however, the loss will not be recorded due to the end of the tender offer.

About SoftBank Group

The SoftBank Group invests in breakthrough technology to improve people's quality of life around the world. The SoftBank Group is comprised of SoftBank Group Corp. (TOKYO: 9984), a holding company that includes telecommunications, internet services, AI, smart robotics, IoT and clean energy technology providers; Arm Limited, the world's leading semiconductor IP company; and the SoftBank Vision Fund, which is investing up to $100 billion to help extraordinary entrepreneurs transform industries and shape new ones. To learn more, please visit https://global.softbank.