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June 23, 2020

SoftBank Group Corp.

Transfer of Shares of Equity Method Associate (T-Mobile US, Inc.)

Further to the announcement dated June 16, 2020 "Exploring Potential Transactions Concerning Shares of Equity Method Associate (T-Mobile US, Inc.)", SoftBank Group Corp. ("SBG") announced today that it decided to commence transactions to transfer shares of common stock of its equity method associate, T-Mobile US, Inc. ("T-Mobile"), which it holds through its subsidiary, as described below (as described in item 3 and 4 below, collectively, the "Transactions").

1. Purpose of the Transactions

As described in "SoftBank Announces JPY 4.5 trillion (USD 41 billion) Program to Repurchase Shares and Reduce Debt" dated March 23, 2020 (the "Announcement"), SBG's policy is to sell or monetize a maximum of JPY 4.5 trillion (USD 41 billion) of assets held by SBG over the four quarters following the Announcement. SBG has taken place the Transactions as part of this program. As announced in the Announcement, SBG plans to use the funds raised as part of this program, including the proceeds from the Transactions, for the repurchase of up to JPY 2 trillion (USD 18 billion) of SBG common stock with the balance to be used for debt redemptions, bond buybacks and increase cash reserves.

Given the current situation where there is a concern for a second and third wave of spread of COVID-19, SBG believes that it needs to further enhance its cash reserves. Until they are used for the planned share repurchase and debt reductions, SBG may invest the funds raised in high quality, highly liquid securities and other instruments, together with other surplus funds, in addition to holding in cash and deposits, while being firmly committed to its existing financial policies on LTV and cash on hand.

2. Outline of T-Mobile

(1) Name	T-Mobile US, Inc.
(2) Address	Bellevue, Washington, United States (headquarters) Overland Park, Kansas, United States (secondary

	headquarters)
(3) Name and title of representatives	Chief Executive Officer Mike Sievert
(4) Nature of business	Telecommunications
(5) Principal shareholders and shareholding ratio (on a fully diluted basis (Note 1))	Deutsche Telekom AG (“Deutsche Telekom”) Approx. 43% SBG Approx. 24% (Note 2)

(Note 1) Based on fully diluted shares (including indirect holdings). The Transactions have not been taken into account.
(Note 2) SBG’s voting rights are subject to proxy arrangements granted in favor of Deutsche Telekom.

3. Outline of the Transfer

SBG is expected to transfer to T-Mobile up to 198,314,426 shares of common stock of T-Mobile (the “Released Shares”) through its subsidiary (the “Transfer”).

T-Mobile will dispose of the shares transferred from SBG’s subsidiary through a public offering in the United States, a private placement through a trust issuing cash mandatory exchangeable trust securities, a rights offering (Note) and a sale to Marcelo Claure, one of its directors, with the proceeds being transferred to SBG’s subsidiary (collectively, the “Related Transactions”).

In connection with the consummation of the Transfer and Related Transactions, SBG has agreed to pay T-Mobile USD 300 million and reimburse all of T-Mobile’s fees and expenses for the Related Transactions.

The aggregate purchase price for the Transfer is equal to the proceeds received by T-Mobile in the Related Transactions.

(Note) SBG, Deutsche Telekom, Marcelo Claure and certain of their respective affiliates have agreed to waive their rights to participate in the rights offering.

4. Outline of the Transfer of Shares upon Exercise of Call Options by Deutsche Telekom

In the Transactions, Deutsche Telekom will receive call options (the “Call Options”) over 101,491,623 shares of common stock of T-Mobile which SBG holds through its subsidiary:

(i) For a call option over 44,905,479 shares out of the 101,491,623 shares, a strike price of the call option is equal to the lower of the market price per share of T-Mobile’s common stock at the

close of the market on June 19, 2020 and the volume-weighted average price of the offer price of the Released Shares sold in underwritten public offerings.

(ii) For a call option over 56,586,144 shares out of the 101,491,623 shares, a strike price of the call option is equal to the average of the 20-day volume-weighted average price of the shares of T-Mobile common stock immediately prior to exercise.

(Note) For the call option described in item (i) above, SBG's subsidiary has issued a call option to T-Mobile Agent LLC ("T-Mobile Agent"), a wholly owned subsidiary of T-Mobile, and T-Mobile Agent has issued a back-to-back call option to Deutsche Telekom. Upon exercise of such options, Deutsche Telekom will acquire from T-Mobile Agent the same number of shares on the same economic terms as T-Mobile Agent is entitled to acquire from SBG's subsidiary. For the call option described in item (ii) above, SBG's subsidiary has issued a call option to Deutsche Telekom, and Deutsche Telekom will acquire the relevant number of shares upon exercise. The Call Options expire on June 22, 2024, unless certain events occur that trigger an earlier expiration date.

5. Number of Shares to be Transferred, Number of Shares Subject to the Call Options and Number of Shares Held by SBG Before/After the Transactions

(1) Number of shares held before the Transfer	304,606,049 shares
(2) Number of shares to be transferred	Up to 198,314,426 shares
(3) Number of shares held after the Transfer (Note 1)	106,291,623 shares
(4) Number of shares subject to the Call Options	101,491,623 shares
(5) Number of shares held after the Call Options are exercised (Note 2)	4,800,000 shares

(Note 1) Calculated on the assumption that the maximum shares as referred to in (2) are transferred.
(Note 2) Calculated on the assumption that the Call Options are fully exercised.

6. Outlook

The number of shares to be transferred and the purchase price will be determined on June 23, 2020 (Eastern Time). The number of shares to be transferred and the purchase price will be announced as soon as they are determined. The Transfer is expected to be closed on June 26, 2020 (Eastern Time).

As described in “Sprint and T-Mobile to Combine, Accelerating 5G Innovation & Increasing Competition” dated April 30, 2018 (the “April 30, 2018 Announcement”), SBG could nominate four directors out of the 14 directors of T-Mobile. However, SBG has agreed in connection with the Transactions that such number will be reduced to one, and depending on SBG’s ownership in T-Mobile after the Transactions, such nomination right may be eliminated.

In addition, as described in April 30, 2018 Announcement, currently, SBG is subject to certain non-compete restrictions until such time as SBG’s ownership in T-Mobile has been fallen below an agreed threshold. However, depending on SBG’s ownership in T-Mobile after the Transactions, such restrictions may be lifted.

7. Impact on SBG’s Consolidated Financial Results

In the event that the Transfer is carried out, the following effects are expected.

(1) In the event that T-Mobile continues to be an equity method associate
Following the Transfer, SBG will record a gain or loss on the sales of shares of associates in its consolidated statement of income. This gain or loss will be calculated by multiplying the difference between the consolidated carrying amount per share and the sale price per share by the number of shares to be sold.

(2) In the event that T-Mobile is no longer recognized as an equity method associate
Following the Transfer, SBG will record a gain or loss on the sales of shares of associates in its consolidated statement of income. This gain or loss will consist of a gain or loss on the sale of the shares to be sold and a gain or loss on the revaluation of the shares that continue to be held by SBG. The former will be calculated by multiplying the difference between the consolidated carrying amount per share and the sale price per share by the number of shares to be sold. The latter will be calculated by multiplying the difference between the consolidated carrying amount per share and the fair value per share on the date T-Mobile ceases to be an equity method associate by the number of shares continued to be held by SBG. The T-Mobile shares that continue to be held by SBG after the Transfer will be recorded as investment securities in SBG’s consolidated statement of financial position and the quarterly changes in the fair value of those securities will be recorded as a gain or loss from financial instruments at FVTPL in the consolidated statement of income.

In either of the above cases, the Call Options will be recorded as derivative financial liabilities in the consolidated statement of financial position at the fair value at the time of execution of the contract.

The fair value will be remeasured at the end of each quarter thereafter, with its changes recorded as a derivative gain or loss in the consolidated statement of income.

(Reference)
Consolidated carrying amount per share of T-Mobile stock as of April 1, 2020: USD 82.99*
*Subject to change depending on the income of equity method investments to be recorded from April 1, 2020 to the date of the sale.
Number of T-Mobile shares held by SBG as of April 1, 2020: 304,606,049

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities described above, nor shall there be any sale of such securities of T-Mobile in any state or other jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.