

Sale of Shares in Subsidiary Boston Dynamics, Inc.

SoftBank Group Corp. ("SBG"), through one of its wholly owned subsidiaries, today announced that it agreed on main terms of a transaction with South Korea-based Hyundai Motor Company and its affiliates (collectively "Hyundai Motor Group") and Euisun Chung, Chairman of Hyundai Motor Group, pursuant to which (i) SBG, through one of its wholly owned subsidiaries, will sell the majority of its stake in Boston Dynamics, Inc. ("Boston Dynamics"), a U.S. subsidiary of SBG that develops and deploys highly mobile robots, to Hyundai Motor Group and Euisun Chung, and (ii) Hyundai Motor Group and Euisun Chung will subscribe for additional shares of Boston Dynamics (collectively, the "Transaction"). The Transaction values Boston Dynamics at USD 1.1 billion and, subject to regulatory approval and other customary closing conditions, is expected to close by June 2021. Upon completion of the Transaction, Boston Dynamics will cease to be a subsidiary of SBG and no longer be consolidated into SBG's financial results. SBG, through one of its wholly owned subsidiaries, will retain a minority stake in Boston Dynamics.

1. Transaction rationale

Since SBG, through one of its wholly owned subsidiaries, acquired Boston Dynamics in February 2018, SBG and Boston Dynamics have enjoyed a highly successful partnership, with SBG aiding in the transformation of Boston Dynamics from a world-renowned R&D facility into a leading-edge commercial enterprise. In the course of its regular reviews of its portfolio companies to ensure it is maximizing value for its shareholders as a global investment holding company, SBG determined that now is the right time to bring Hyundai Motor Group, one of the world's leading global mobility companies, into the partnership. SBG believes Hyundai Motor Group will take Boston Dynamics to the next level by accelerating its path to commercialization.

After the closing of the Transaction, Hyundai Motor Group and Euisun Chung will collectively hold an approximately 80% ownership interest, and SBG, through one of its wholly owned subsidiaries, will retain an approximately 20% ownership interest in Boston Dynamics. By continuing its partnership with Boston Dynamics, SBG will participate in its future upside and remain a resource to Boston Dynamics as it continues to grow and commercialize.

2. About Boston Dynamics

(1) Name	Boston Dynamics, Inc.
(2) Address	Massachusetts, U.S.A.
(3) Name and title of representative	Robert Playter, CEO

(4) Nature of business	Developing and deploying highly mobile robots	
(5) Common stock	USD 257 million (as of March 31, 2020)	
(6) Established	1992	
(7) Major shareholders and their holdings	SBG 100%	
(8) Relations with SBG	Capital	SBG indirectly holds 100% of the outstanding common stock of Boston Dynamics.
	Personnel	Not applicable
	Business	Not applicable
(9) Consolidated operating results and financial position in the past two years (US GAAP, in millions of USD)		
	Fiscal year ended March 2019	Fiscal year ended March 2020
Net sales	1	2
Net loss	(63)	(103)
Total equity	189	272
Total assets	223	376

3. About the counterparties of the Transaction

(I) Hyundai Motor Company

(1) Name	Hyundai Motor Company	
(2) Address	12 Heolleung-ro, Seocho-gu, Seoul, 06797, Korea	
(3) Name and title of representative	CEO Euisun Chung, Won Hee Lee, Eon Tae Ha	
(4) Nature of business	Automotive manufacturing	
(5) Capital stock	1.5 trillion KRW (as of December 2019)	
(6) Established	December 29, 1967	
(7) Total equity	76 trillion KRW (as of December 2019)	
(8) Total assets	195 trillion KRW (as of December 2019)	
(9) Major shareholders and their holdings	Hyundai Mobis 21.4% Mong-Koo Chung 5.3%	
(10) Relations with SBG	Capital	Not applicable
	Personnel	Not applicable
	Business	Not applicable

(II) Euisun Chung

(1) Name	Euisun Chung
(2) Address	Seoul, Korea
(3) Relations with SBG	There is no capital or personnel relationship between SBG and Mr. Chung to be specified.

4. SBG's ownership in Boston Dynamics before and after the Transaction (indirect holdings)

Number of shares held and shareholding ratio before the Transaction	9,200,010 shares (shareholding ratio: 100%)
Number of shares held and shareholding ratio after the issuance of new shares by Boston Dynamics	9,200,010 shares (shareholding ratio: 72%)
Number of shares to be sold	6,650,813 shares
Number of shares to be held and shareholding ratio after the Transaction	2,549,197 shares (shareholding ratio: approximately 20%)

Note: The sale price is not disclosed due to confidentiality but has been determined through discussions with third parties and submitted appraisal values.

5. Schedule

Conclusion of definitive agreement	December 11, 2020
Closing of the Transaction	By June 2021 (expected)

6. Impact on consolidated financial results

Upon completion of the Transaction, Boston Dynamics will cease to be a subsidiary of SBG and will no longer be consolidated into SBG's financial results. Upon completion of the Transaction, the shares of Boston Dynamics that continue to be held by SBG after the Transaction will be recorded as "investment securities" at fair value in SBG's consolidated statement of financial position and its quarterly changes will be recorded as "gain on investments at Investment Business of Holding Companies" in the consolidated statement of income. Other impacts on SBG's consolidated financial statements will be minor.

Prior to the closing of the Transaction, all of Boston Dynamics's assets and liabilities will be presented as assets and liabilities held for sale in SBG's consolidated statement of financial position for the nine-month period ending December 2020.

Reference: Consolidated financial results forecast for the fiscal year ending March 2021 and actual for the fiscal year ended March 2020

	Net sales	Income before income tax	Net income attributable to owners of the parent
Forecast for the fiscal year ending March 2021	-	-	-
Actual for the fiscal year ended March 2020	Millions of yen 5,238,938	Millions of yen 50,038	Millions of yen (961,576)

Note: Net sales and income before income tax are presented in results of continuing operations only.

SBG does not provide forecasts of consolidated results of operations because they are difficult to project due to numerous uncertainties affecting earnings.