

## **Tender in Tender Offer for Shares of an Associate**

SoftBank Group Corp. ("SBG") announces that GungHo Online Entertainment, Inc. ("GungHo"), an associate of SBG, has resolved to repurchase its own shares and to execute it by a tender offer as specific measure for the repurchase (the "Tender Offer") at its board of directors meeting held today.

SBG, as described in "Execution of Agreement to Tender in Tender Offer for Shares of an Associate" dated June 6, 2016, executed an agreement with GungHo on June 3, 2016 (the "Agreement"), under which SBG has agreed to tender a total of 248,300,000 million of GungHo common shares held by SBG and its subsidiary SoftBank Corp. ("SB") in the event GungHo implements the Tender Offer. In accordance with the Agreement, SBG will tender in the Tender Offer.

SBG expects that GungHo will no longer qualified as an associate of SBG after the completion of the Tender Offer.

### **1. Summary of the Tender in the Tender Offer**

(1) Shares to be tendered	Common shares of GungHo: 248,300,000 shares (23.47% of GungHo's total number of shares issued* <sup>1</sup> ) including 199,204,800 shares held by SBG and 49,095,200 shares held by SB
(2) Tender offer price	JPY 294 per share
(3) Tender offer period	June 23, 2016 to July 21, 2016
(4) Start date of settlement	August 16, 2016

\*<sup>1</sup> Based on the total number of shares issued of 1,057,892,400 as of March 31, 2016 on GungHo quarterly securities report filed on May 9, 2016. The same applies below.

### **2. Number of Shares Held Before and After the Tender in the Tender Offer**

(1) Number of shares held before the tender	272,604,800 shares (including indirect ownership)
(2) Number of shares to be tendered in the Tender Offer	248,300,000 shares (including indirect ownership)
(3) Number of shares held after the tender* <sup>2</sup>	24,304,800 shares (indirect ownership) (Shareholding ratio: 2.30%)

\*<sup>2</sup> Based on an assumption that all of 248,300,000 shares tendered by SBG and SB is purchased at the completion of the Tender Offer. This may not happen, however, depending on tenders by other shareholders as the Tender Offer has set the maximum number of shares to be purchased by GungHo at 248,300,000 shares.

### **3. Impact on Financial Results**

SBG expects that GungHo will no longer qualified as an associate of SBG after the completion of the Tender Offer. Other than this, SBG expects the following impact on the financial results for

the fiscal year ending March 31, 2017.

(1) Non-consolidated financial results

SBG expects to record approximately JPY 56.0 billion of gain on sale of shares of affiliates upon the completion of the Tender Offer on July 21, 2016, provided that all of 199,204,800 shares tendered by SBG is purchased.

(2) Consolidated financial results

Of the 272,604,800 shares of GungHo collectively held by SBG and SB, 248,300,000 shares to be tendered are expected to be evaluated at JPY 294 per share, the Tender Offer price.

Accordingly, SBG expects to record approximately JPY 43.0 billion of loss for the three-month period ending June 30, 2016. Regarding the remaining 24,304,800 shares of GunHo, SBG will evaluate them at a fair value (the closing price of GungHo shares) on the day of the completion of the Tender Offer (July 21, 2016) and record relating profit or loss.