



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

July 9, 2018

**Response of the Office of Mergers and Acquisitions
Division of Corporation Finance**

Via Email

Jesse S. Gillespie
Morrison & Foerster LLP
jgillespie@mof.com

Re: Partial cash tender offers for Shares of Yahoo Japan

Dear Mr. Gillespie:

We are responding to your letter dated July 9, 2018, addressed to Ted Yu and Christina Chalk, as supplemented by telephone conversations with the staff, with regard to your request for exemptive and no-action relief. To avoid having to recite or summarize the facts set forth in your letter, we attach a copy of your letter and the accompanying letter from Japanese counsel. Unless otherwise noted, capitalized terms in this response letter have the same meaning as in your letter dated July 9, 2018.

Section I

On the basis of the representations and the facts presented in your letter, the Division of Corporation Finance, acting for the Commission pursuant to delegated authority, by separate order is granting an exemption from Exchange Act Rule 14e-5. This exemption permits the SoftBank Parties to conduct concurrent issuer and third party tender offers for Yahoo Japan Shares as described in your letter.

In granting the exemptive relief described above, we note your representation that the Tender Offers by the SoftBank Parties for Yahoo Japan Shares are necessitated by Japanese Mandatory Bid Rules and are effectively the equivalent of bilateral block trades structured as tender offers to comply with Japanese law. We further note that the economic terms of the Tender Offers will be the same and both will be made at a price that is expected to be at or below the market price of the Yahoo Japan Shares after the commencement of the Tender Offers. In addition, the Tender Offers will be substantially similar in size, procedures (including duration), and documentation.

Section II

Based on the representations in your letter, the Division of Corporation Finance will not recommend enforcement action under Exchange Act Rule 14e-1(c). This no-action position under Rule 14e-1(c) allows SoftBank Corp. to pay for Yahoo Japan Shares tendered into its Third Party Tender Offer no later than five business days after the expiration of that offer. It also permits Yahoo Japan to pay for Yahoo Japan Shares tendered into its Self Tender Offer no later than 16 business days after the close of that offer. According to your letter, the significantly longer settlement period for the Self Tender Offer is necessitated by Japanese tax withholding requirements that are applicable to the Self Tender Offer but not the Third Party Tender Offer. We further note the SoftBank Parties' representations that they will endeavor to pay for tendered Yahoo Japan Shares as quickly as possible after expiration and that if either Tender Offer is not consummated, the tendered Yahoo Japan Shares will be returned promptly.

The foregoing exemptive and no-action relief is based solely on the representations and the facts presented in your letter dated July 9, 2018, and does not represent a legal conclusion with respect to the applicability of the provisions of the federal securities laws. The relief is strictly limited to the application of the rules listed above to these transactions. You should discontinue the transactions pending further consultations with the staff if any of the facts or representations set forth in your letter change. In addition, this position is subject to modification or revocation if at any time the Commission or the Division of Corporation Finance determines that such action is necessary or appropriate in furtherance of the purposes of the Exchange Act.

We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws. Responsibility for compliance with these and any other applicable provisions of the federal securities laws rests with the participants in these transactions. The Division of Corporation Finance expresses no view with respect to any other questions that these transactions may raise, including, but not limited to, the adequacy of the disclosure concerning, and the applicability of any other federal or state laws to, these transactions.

Sincerely,

/s/ Ted Yu

Ted Yu
Chief, Office of Mergers & Acquisitions
Division of Corporation Finance

**UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION**

July 9, 2018

In the Matter of Tender Offers for
Shares of Yahoo Japan Corporation

ORDER GRANTING EXEMPTION FROM
EXCHANGE ACT RULE 14E-5

SoftBank Group Corp. and other parties submitted a letter, dated July 9, 2018, requesting that the Securities and Exchange Commission (“Commission”) grant an exemption from Exchange Act Rule 14e-5 for the transactions described in their letter (“Request”).

Based on the representations and the facts presented in the Request, and subject to the terms and conditions described in the letter from the Division of Corporation Finance dated July 9, 2018, it is ORDERED that the request for an exemption from Exchange Act Rule 14e-5 is hereby granted.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.

Brent J. Fields
Secretary

Action as set forth or recommended herein APPROVED
pursuant to authority delegated by the Commission under
Public Law 87-592.

For: Division of Corporation Finance

By: /s/ Ted Yu

Date: July 9, 2018

July 9, 2018

Writer's Direct Contact
+81 (3) 3214-6833
JGillespie@mofocomDivision of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549Attn: Ted Yu, Chief, Office of Mergers and Acquisitions;
Christina Chalk, Senior Special Counsel, Office of Mergers and
Acquisitions

Re: Proposed Cash Tender Offers by SoftBank Corp. and Yahoo Japan

Dear Mr. Yu, Ms. Chalk:

We are writing this letter on behalf of (i) SoftBank Group Corp., a global technology company incorporated and based in Japan whose shares are listed on the Tokyo Stock Exchange, ("**SoftBank Group**") (ii) SoftBank Corp., a privately-held telecommunications operator incorporated and based in Japan, and (iii) Yahoo Japan Corporation, an internet services provider incorporated and based in Japan whose shares are listed on the Tokyo Stock Exchange ("**Yahoo Japan**" and, collectively with SoftBank Group and SoftBank Corp., the "**SoftBank Parties**"), in reference to a complex series of transactions (the "**Transactions**") which incorporates parallel partial cash tender offers for outstanding common shares of Yahoo Japan ("**Yahoo Japan Shares**") to be conducted by each of SoftBank Corp. and Yahoo Japan, as set forth in further detail below. Each of the SoftBank Parties is a foreign private issuer as defined in Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). SoftBank Corp. and Yahoo Japan are both consolidated subsidiaries of SoftBank Group, which is the controlling shareholder of both with aggregate direct and indirect ownership, as of March 31, 2018, of 99.99% and 42.9% of the outstanding common shares of SoftBank Corp. and Yahoo Japan, respectively.

The commercial objective of the Transactions is to effect what is in commercial substance a pair of block trades: (i) the purchase (the "**Altaba Sale**") by SoftBank Corp. from Altaba Inc. ("**Altaba**"), a U.S. registered investment company, of Yahoo Japan Shares in an amount corresponding to approximately \$2 billion at the prevailing closing price of such shares on the main board of the Tokyo Stock Exchange prior to the first public announcement of the Transactions (the "**Pre-Announcement Share Price**") (such amount expected to correspond to approximately 10% of the outstanding Yahoo Japan Shares) and (ii) the repurchase (the "**Yahoo Japan Repurchase**") by Yahoo Japan of its shares held by SoftBank Group in an amount corresponding to approximately ¥220 billion at the Pre-Announcement Share Price (such amount expected to correspond to

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Two

approximately 10% of the outstanding Yahoo Japan Shares). Due to Japanese regulatory considerations, described in more detail below, it is necessary to conduct each of the Altaba Sale and Yahoo Japan Repurchase by means of separate but parallel cash tender offers (the “**Tender Offers**”) to be made by SoftBank Corp. and Yahoo Japan, respectively, to all holders of Yahoo Japan Shares upon substantially similar procedures and for identical consideration.

As previously discussed with members of the staff of the Division of Corporation Finance (the “**Staff**”) of the Securities and Exchange Commission (the “**SEC**”), we hereby respectfully request, on behalf of SoftBank Corp., Yahoo Japan and, to the extent it may be deemed to be a bidder in the tender offers, SoftBank Group, that the Staff grant exemptive relief from the provisions of Rule 14e-5 under the Exchange Act (“**Rule 14e-5**”) and that the Staff confirm that it will not recommend that the Securities and Exchange Commission take enforcement action pursuant to Rule 14e-1(c) under the Exchange Act (“**Rule 14e-1(c)**”), in relation to the Tender Offers.

I. Background

A. Yahoo Japan and the SoftBank Group/Altaba Joint Venture Agreement

Yahoo Japan was founded on January 31, 1996 as a joint venture between SoftBank Group (then “SoftBank Corp.”) and Altaba (then “Yahoo! Inc.”), and SoftBank Group (through a wholly-owned subsidiary) and Altaba remain the largest shareholders of Yahoo Japan, with a combined ownership of approximately 78.5% (or 42.9% and 35.6%, respectively) as of March 31, 2018. As a result, the public float of Yahoo Japan, which is a Japanese public company, traded on the Tokyo Stock Exchange, accounts for less than 25% of its ¥2,073 billion market capitalization, as of June 28, 2018. SoftBank Group and Altaba are parties to a joint venture agreement (the “**JVA**”) whereby, among other things, the parties thereto grant a mutual right of first refusal regarding disposals of Yahoo Japan Shares held by the other party. SoftBank Group, Softbank Corp. and Altaba plan to enter into an agreement or agreements (the “**Transaction Agreements**”), whereby (i) they will terminate the JVA, (ii) Altaba will agree to tender at least \$2 billion worth of Yahoo Japan Shares into a partial cash tender offer (the “**Third Party Tender Offer**”) to be made by SoftBank Corp. at a fixed tender price equal to the Pre-Announcement Share Price for up to \$2 billion worth of Yahoo Japan Shares valued at such price (corresponding to up to approximately 10% of the outstanding Yahoo Japan Shares), (iii) SoftBank Group will agree to tender ¥220 billion worth of Yahoo Japan Shares into a partial cash issuer self-tender offer (the “**Self Tender Offer**”) conducted by Yahoo Japan, at a fixed tender price equal to the Pre-Announcement Share Price for up to ¥220 billion worth of Yahoo Japan Shares valued at such price (corresponding to up to approximately 10% of the outstanding Yahoo Japan Shares), (iv) Altaba will agree not to tender its Yahoo Japan Shares in the Self Tender Offer, (v) SoftBank Group will agree not to tender its Yahoo Japan Shares in the Third Party Tender Offer and (vi) SoftBank Group will agree to provide Altaba certain ongoing minority investor protections and other rights with respect to its continued ownership interest in Yahoo Japan.

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Three

B. Applicable Japanese Regulations

The Altaba Sale and Yahoo Japan Repurchase, which in the U.S. would likely be structured as two concurrent bilateral block trades, are structured as tender offers owing to a feature of Japanese corporate laws, including the Financial Instruments and Exchange Act of Japan (the “*FIEA*”). Japan has implemented via the FIEA rules regulating the manner of “off market” purchases, or purchases or sales of securities, other than through one of Japan’s official stock markets, in relation to the shares of companies listed on a Japanese stock exchange or which have an obligation to file securities reports in Japan (the “*Mandatory Bid Rules*”). Specifically, if a purchaser’s ownership will exceed 33.3% after the consummation of a transaction, the Mandatory Bid Rules require that such purchaser structure such off market purchases as a tender offer, irrespective of such purchaser’s ownership prior to consummation of such transaction (subject to certain exemptions, none of which are applicable to the Transactions).

With respect to the Altaba Sale, because SoftBank Corp., the bidder in the Third Party Tender Offer, together with SoftBank Group, whose indirect ownership in Yahoo Japan is imputed to SoftBank Corp. for purposes of the Mandatory Bid Rules, will continue to own, directly or indirectly, more than 33.3% of the outstanding Yahoo Japan Shares, after the Transactions, the Mandatory Bid Rules require that the Altaba Sale be structured as a tender offer, in order to allow other shareholders to participate in the Transactions.

With respect to the Yahoo Japan Repurchase, Japanese law does permit certain alternative repurchase methods for issuers in addition to a tender offer, including (i) a share repurchase that has been approved by a resolution by a supermajority of shareholders and (ii) ToSTNeT transactions, which are off-time transactions pursuant to the rules of the Tokyo Stock Exchange. Yahoo Japan has determined that these alternatives are not commercially viable in the context of the Transactions. Specifically, (a) a shareholders resolution would require a protracted public process that would take months to complete, and (b) ToSTNet transactions would practically exclude the shareholders of Yahoo Japan, other than SoftBank Group, from the opportunity to dispose of their shares in Yahoo Japan and could be viewed as being unfair to, or not sufficiently transparent for, the shareholders of Yahoo Japan. As a result of the foregoing, the SoftBank Parties have determined that an issuer self-tender offer is the only viable structure for the Yahoo Japan Repurchase.

Such tender offers pursuant to the Mandatory Bid Rule are often conducted in Japan at or below the prevailing market price of the subject securities, in order to disincentivize third party participation in the tender offer and, as a result, are generally indistinguishable from bilateral block trades in commercial substance.

C. U.S. Ownership of Yahoo Japan.

With respect to the level of U.S. Ownership of Yahoo Japan, the SoftBank Parties made reference to a comprehensive shareholder identification survey conducted for the purposes of Yahoo Japan’s investor relations activities by IR Japan, Inc., one of Japan’s

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Four

largest specialized investor relations services companies (“*IR Japan*”), which included analysis and confirmation with respect to the identity and U.S. residence of Japanese and overseas institutional investors of Yahoo Japan Shares. The survey was conducted by IR Japan using shareholder ownership information derived from Yahoo Japan’s shareholder registry as of March 31, 2018, the last day of Yahoo Japan’s most recent fiscal year, the most recent date for which such a report is available and a date no more than 120 days before July 10, 2018 (the expected date of announcement of the Tender Offers). Including shares held by the SoftBank Group and its affiliates (excluding treasury shares held by Yahoo Japan) and Altaba, the SoftBank parties have analyzed or confirmed based on public information as to the U.S. residence of beneficial owners of approximately 95.5% of the outstanding Yahoo Japan Shares appearing on the share registry as of such date. The remaining 4.5% of outstanding Yahoo Japan Shares for which no such analysis or confirmation was completed, comprises 3.4% of the outstanding Yahoo Japan Shares that were registered to individual shareholders showing a Japan address on Yahoo Japan’s shareholder registry on such date and another 0.9% of outstanding Yahoo Japan Shares (the “*Remainder Shares*”), which in turn comprise 0.8% of the outstanding Yahoo Japan Shares held by securities brokers and dealers, 0.1% of the outstanding Yahoo Japan Shares held by other corporate entities, and 0.1% of the outstanding Yahoo Japan Shares held by other financial institutions, including banks and life insurance corporations. The SoftBank Parties have conservatively assumed for the purposes of this calculation that all Remainder Shares were held by U.S. resident holders. The SoftBank parties believe that the results of the survey represent a comprehensive and reliable indicia of beneficial ownership by holders resident in the United States.

The results of such inquiry indicate that, as of such date, approximately 41.6% of the total issued and outstanding Yahoo Japan Shares (including Yahoo Japan Shares represented by Yahoo Japan ADSs) were held by U.S. resident beneficial owners (including Altaba, which as of such date held 2,025,923,000 Yahoo Japan Shares, representing approximately 35.6% of the total issued and outstanding Yahoo Japan Shares).

In addition, as SoftBank Group may be deemed to be a bidder in the Tender Offers for purposes of Regulation 14D, all 2,445,487,300 Yahoo Japan Shares held, directly and indirectly, by SoftBank Group would be required to be excluded from the Tier II Relief calculation in accordance with the instructions to Rules 14d-1(c) and (d), resulting in a U.S. beneficial ownership percentage of Yahoo Japan Shares of approximately 73.0% (including shares held by Altaba, which account for approximately 62.4% of the total issued and outstanding Yahoo Japan Shares on the relevant date, after excluding SoftBank Group’s share holdings), thus exceeding the 40% ceiling under Rule 14d-1(d).

D. The Tender Offers

The SoftBank Parties contemplate publicly announcing the Transactions, including the Tender Offers, on July 10, 2018, and the tender offers will commence as soon as practicable thereafter, upon the completion of the pre-consultation period with the

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Five

Kanto Local Finance Bureau, a local Japanese regulatory body. Currently, the Tender Offers are expected to commence on July 11, 2018, one day following the public announcement. As set forth below, the Tender Offers are substantially similar in size, pricing, procedures and documentation.

1. *Size*

Each of the Third Party Tender Offer and the Self Tender Offer are expected to be a partial tender offer for up to a fixed number of shares representing approximately 10% of the outstanding Yahoo Japan Shares prior to commencement of the Tender Offers.

2. *Pricing*

The Tender Offers will have identical pricing terms, with an offer price equal to the Pre-Announcement Share Price. The Self Tender Offer will result in the repurchase of approximately ¥220 billion worth of Yahoo Japan Shares, the majority of which Yahoo Japan will announce its intention to cancel, resulting in a corresponding increase in earnings per share and return on equity for remaining Yahoo Japan shareholders. As a result, the SoftBank Parties anticipate that the offer price of the Tender Offers will be at or below Yahoo Japan's prevailing trading price following announcement of the Tender Offers. As a result, the SoftBank Parties expect that there will be minimal, if any, participation by unaffiliated third party shareholders in either Tender Offer.

3. *Procedures*

The tendering procedures for the Third Party Tender Offer and the Self Tender Offer will be substantially similar. Both Tender Offers will be conducted under Japanese law in accordance with customary practices and documentation for Japanese domestic tender offers, and any differences will be driven by Japanese legal considerations or incidental to the transaction structure.

The Third Party Tender Offer is expected to be open for a tender offer period of 21 business days¹, while the Self Tender Offer is expected to be open for a tender offer period of 22 business days. The tender offer period of the Self Tender Offer is one business day longer than the Third Party Tender Offer, so that SoftBank Group can confirm that Altaba has tendered its Yahoo Japan Shares into the Third Party Tender Offer, prior to tendering its own Yahoo Japan Shares into the Self Tender Offer.

The Third Party Tender Offer will settle five business days after the expiration of the tender offer period, which is a standard settlement period for third-party tender offers in Japan. The Japanese tender offer agent, which is appointed by the bidder to manage the tender offer process, uses this time to calculate proration (if any) and handle other administrative procedures necessary for the completion of the tender offer settlement process. Under FIEA rules, settlement of a tender offer must occur "without delay". A

¹ For the purposes of this letter, when we refer to business day, we refer to business days as calculated for the purposes of Rule 14e-1(a).

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Six

five business day settlement period, for a third-party tender offer, is generally viewed as being in compliance with this requirement. The SoftBank Parties will endeavor to settle the Tender Offers as soon as practicable after the expiration of the Third Party Tender Offer; however, due to the fact that tender offer agents in Japan administer the settlement process and typically require five days to complete the necessary procedures for settlement of a third-party tender offer, the SoftBank Parties expect that they may have limited success in shortening the settlement period.

The Self Tender Offer will settle approximately 16 business days after the expiration of the tender offer period for the Self Tender Offer, or 12 business days after the settlement of the Third Party Tender Offer. This longer settlement period, which is a standard tender settlement offer period for issuer self-tender offers in Japan, is the result of additional settlement procedures necessitated by Japanese tax law. Specifically, under Japanese tax law, a portion of the consideration paid by an issuer for tendered shares may be deemed to be a dividend for tax purposes. Under the Income Tax Act and the Act on Special Measures Concerning Taxation, such dividends are subject to withholding obligations, but the rate of withholding differs, depending on whether a shareholder is considered to be a “large shareholder” and “non-large shareholder” pursuant to Article 9-3-2, Paragraph 1, Item 1 of the Act on Special Measures Concerning Taxation. Due to these different withholding rates, the issuer must confirm, and inform the tender offer agent of, the “large shareholder” status of each shareholder tendering into an issuer self-tender offer in Japan. As a result, the settlement period for issuer self-tender offers in Japan is significantly longer than the settlement period for third-party tender offers, with 16-day settlement periods being both typical and generally viewed as being compliant with the “without delay” requirement under FIEA rules.

Under Japanese law, issuer self-tender offers may not be made subject to a minimum tender condition and, as a result, the Self Tender Offer is not subject to a minimum tender condition or any other material conditions.² The Third Party Tender Offer is also not subject to any condition that the SoftBank Parties believe to be material. The Third Party Tender Offer does include a minimum tender condition (as permitted for third-party tender offers in Japan), which the SoftBank Parties view as being important to the contractual agreement between SoftBank Corp. and Altaba, but which they view as immaterial to participants in the Third Party Tender Offer. Due to the fact that Altaba will be contractually obligated to participate in the Third Party Tender Offer and to tender a number of Yahoo Japan Shares that alone will be sufficient to fulfill the minimum tender condition, the SoftBank Parties believe that any risk that the Third Party Tender will be cancelled, due to non-satisfaction of this minimum tender condition is very remote. The only other condition to the Third Party Tender Offer is that all applicable regulatory approvals be obtained.³

² The only condition to the Self Tender Offer is that the consummation of the tender offer will not violate applicable law. This condition is prescribed by applicable Japanese law, which relates to issuer-tender offers, but does not apply to third-party tender offers.

³ This condition is set forth in applicable Japanese law, relating to third-party tender offers, but not to issuer-self tender offers. In this case, the only applicable regulatory approval is the completion of review by

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Seven

Both Tender Offers are being made to all shareholders, inclusive of U.S. holders, who are permitted to participate on the same basis as holders in other jurisdictions. Except to the extent of any relief granted pursuant to this letter, the Tender Offers are structured so as to comply with the applicable U.S. federal securities laws, including Regulation 14E under the Exchange Act, as well as with applicable Japanese laws and regulations. In the event that either of the Tender Offers is terminated or withdrawn, for any reason, Yahoo Japan Shares tendered into such terminated or withdrawn Tender Offer will be promptly returned to shareholders.

4. *Documentation*

Each Tender Offer will be conducted pursuant to customary documentation for domestic tender offers in Japan, including, among other documents, (i) a timely disclosure press release which is filed with the Tokyo Stock Exchange, (ii) a tender offer information statement (“*Information Statement*”) to be disseminated to investors, (iii) a formal statement of the issuer’s position in response to the relevant Tender Offer, and (iv) a Form for the Acceptance of the Tender Offer to be submitted to a designated tender offer agent by the end of the respective tender offer periods (collectively, the “*Core Documentation*”).

The Core Documentation for each Tender Offer will disclose fully the entirety of the Transactions, including the existence and key terms of the other Tender Offer.

The Core Documentation will be translated into English and will be published or provided to all holders of Yahoo Japan Shares, with the exception of the financial statements of SoftBank Corp. to be included in the Information Statement for the Third Party Tender Offer, which cannot be practicably translated within the contemplated time frame and which the SoftBank Parties deem to be immaterial in the context of an all-cash tender offer, immediately after which the bidder will hold approximately 10% of the shares of the issuer.

II. **Discussion of Issues**

A. Rule 14e-5—Purchases Outside the Tender Offer

Rule 14e-5 under the Exchange Act provides, among other things, that an offeror and its affiliates are prohibited from directly or indirectly purchasing, or arranging to purchase, any securities subject to a tender offer, except pursuant to such offer. The prohibition applies from the time of public announcement of the tender offer until the tender offer expires. Given that the bidders in both the Third Party Tender Offer and the Self Tender Offer are affiliated by virtue of being under common control by SoftBank

the Japan Fair Trade Commission (“*JFTC*”), which regulates economic competition in Japan. SoftBank Corp.’s application with the JFTC is currently under review as of the date hereof. Based on prior consultations with the JFTC and typical practice for third party tender offers in Japan, the SoftBank Parties expect such review to conclude in the first half of the tender period for the Third Party Tender Offer.

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Eight

Group, Rule 14e-5 could be read to prohibit the concurrent occurrence of the Transactions as “purchases outside the tender offer”.

The purpose of Rule 14e-5, formerly Rule 10b-13, is to safeguard the interests of persons who sell their securities in response to a tender offer.⁴ Specifically, the enacting release of Rule 10b-13 raises several public policy concerns relating to the purchase of securities concurrently with, but outside of, a tender offer. First, the release raises the concern that purchases during a tender offer for consideration greater than that of the tender price could operate to disadvantage security holders who have already deposited their shares and who are unable to withdraw them in order to obtain the advantage of possible resulting higher market prices. Second, the release states that, irrespective of the price at which such purchases are made, purchases made outside of tender offer are often fraudulent or manipulative in nature and can act to deceive the investing public as to the true state of affairs. For example, such purchases could be used to “defeat the tender offer”, either by driving the market price above the offer price or by otherwise reducing the number of shares tendered below the stated minimum. Third, is the concern that holders of substantial blocks of securities will be incentivized to demand from bidders consideration that is greater than, or different from, that which is offered to public investors by means of the tender offer.⁵ Rule 14e-5 (formerly Rule 10b-13) addresses these public policy concerns by limiting purchases by a bidder, or made on behalf of a bidder, to those purchases which are conducted as part of the tender offer. This has the effect of preventing a bidder from “extending greater or different consideration to some security holders by offering to purchase their shares outside the offer, while other security holders are limited to the offer’s terms.”⁶

We believe the Tender Offers are distinguishable from the types of transactions intended to be prohibited by Rule 14e-5, as they do not implicate any of the policy concerns underlying Rule 14e-5, discussed above. The concurrent nature of the Tender Offers will not be used to provide certain shareholders with consideration greater than that of the tender offer price. The economic terms of both Tender Offers will be identical, the corresponding procedural aspects will be substantially similar and Yahoo Japan’s shareholders other than Altaba and the SoftBank Parties will be free to participate in either of the Tender Offers. Also, the Tender Offers are not fraudulent or manipulative in nature; nor do they act to deceive the investing public as to the true state of affairs. The Transaction Agreements among SoftBank Group, SoftBank Corp. and Altaba, as well as the simultaneous occurrence of both the Third Party Tender Offer and the Self Tender Offer, will be fully and clearly disclosed to investors in the Core Documentation of each Tender Offer, as well as in the press announcements relating to the Tender Offers, which will be translated into English and made available to U.S. holders. Also, neither of the

⁴ Final Rule: Commission Guidance and Revisions to the Cross-border Tender Offer, Exchange Offer, Rights Offering, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign Institutions, Securities Exchange Act Release 58597 (Oct. 9, 2008).

⁵ Final Rule: Adoption of Rule 10b-13 under the Securities Exchange Act of 1934, Securities Exchange Act Release 8712 (Oct. 8, 1969).

⁶ Final Rule: Cross-Border Tender and Exchange Offers, Business Combinations and Rights Offerings, Securities Exchange Act Release 42054 (October 22, 1999).

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Nine

Tender Offers is being used to affect the success or failure of the other Tender Offer, and the level of shareholder participation in the Self Tender Offer is not expected to have any bearing on the satisfaction, or non-satisfaction, of the Third Party Tender Offer's minimum tender condition, as Altaba will be contractually obligated to participate in the Third Party Tender Offer and to tender Yahoo Japan Shares in an amount sufficient to fulfill this minimum tender condition. Finally, given that relief from Rule 14e-5 is being sought only in relation to the Tender Offers, which have identical economic terms, and that other purchases, or arrangements to purchase, outside of these Tender Offers will still be prohibited by the restrictions of Rule 14e-5, the grant of the requested relief by the Staff would not have the effect of incentivizing holders of substantial blocks of securities to demand from SoftBank Corp. or Yahoo Japan consideration that is greater than, or different from, that which is offered to public investors in the Tender Offers.

As discussed above, if conducted in another jurisdiction, the Tender Offers would likely be structured as two concurrent bilateral block trades. However, due to Japan's Mandatory Bid Rules, the only viable option for structuring the Transactions is to conduct two tender offers. Notwithstanding that Japanese legal considerations require the use of a tender offer format, we do not believe that the Transactions that are equivalent in economic substance to bilateral block trades were intended by the drafters of Rule 14e-5 (or its predecessor, Rule 10b-13) to be within the scope of the prohibitions of Rule 14e-5.

B. Rule 14e-1(c)—Prompt Payment

Rule 14e-1(c) requires an offeror to pay the consideration offered or return the securities deposited by or on behalf of security holders promptly after the termination or withdrawal of a tender offer. While the SoftBank Parties will endeavor to settle the Tender Offers as soon as practicable, as discussed above, settlement periods in Japan for third-party tender offers are typically around five business days, due to the time it takes tender offer agents to complete the administrative procedures necessary for settling the transaction. Also, the settlement of issuer tender offers requires even longer, due to tax withholding rules requiring that a withholding rate be individually determined for each shareholder participating in the issuer self-tender offer. As a result, the settlement period for issuer self-tender offers in Japan are often 16 business days or longer.

If Tier II Relief were available, payment made in accordance with foreign practice and law would be deemed to satisfy Rule 14e-1(c). Even where such relief is not available because U.S. ownership exceeds the ceiling set for purposes of Tier II Relief, as is the case in the present instance, the Staff has in the past granted relief to the same effect.⁷ The Tender Offers meet all of the conditions for Tier II Relief, other than the

⁷ See, e.g., Vimpelcom Ltd., Altimo Holdings & Investments Ltd. and Telenor ASA Offer for all outstanding common shares, preferred shares and American Depositary Shares (avail. February 5, 2010) (U.S. ownership of approximately 44.4%); Telefonica S.A. (avail. June 5, 2000) (U.S. ownership of 54.3%); Alcan Inc. (avail. October 8, 2003) (U.S. ownership of approximately 35% - 45%); Madison Dearborn Partners, LLC (avail. July 9, 2002) (U.S. ownership of approximately 53%); and Proposed Exchange Offer by Technip, S.A., for all of the outstanding ordinary shares and American Depositary Shares of Coflexip, S.A. (avail. August 30, 2001) (U.S. ownership possibly up to 50.6%).

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Ten

requirement that U.S. holders not hold more than 40% of the class of securities sought in the offer.

C. Relief Requested

We respectfully request that the Staff grant exemptive relief from Rule 14e-5 under the Exchange Act to permit the Third Party Tender to occur concurrently with the Self Tender Offer, and that the Staff confirm that it will not recommend that the Securities and Exchange Commission take enforcement action pursuant to Rule 14e-1(c) to permit the payment for the Yahoo Japan Shares tendered during the tender offer periods of the Tender Offers to be made in accordance with the requirements of Japanese law and practice.

* * * *

If you have any questions or require any additional information, please contact the undersigned in Tokyo at +81 (3) 3214-6833 or JGillespie@mofo.com. Thank you very much for your kind consideration of this matter.

Sincerely yours,


Jesse S. Gillespie

cc: Yoshimitsu Goto
(SoftBank Group Corp.)

Koichi Hirono
(SoftBank Corp.)

Ryosuke Sakaue
(Yahoo Japan Corporation)

Kenneth A. Siegel
(Morrison & Foerster LLP)

Ivan G. Smallwood
(Morrison & Foerster LLP)

David M. Lynn
(Morrison & Foerster LLP)

Mr. Ted Yu and Ms. Christina Chalk
July 9, 2018
Page Eleven

Fuyuo Mitomi
(Ito & Mitomi)

Hisateru Goda
(Ito & Mitomi)

Shuhei Kubota
(Mori Hamada & Matsumoto)

MORI HAMADA & MATSUMOTO

Marunouchi Park Building, 2-6-1 Marunouchi
Chiyoda-ku, Tokyo 100-8222, Japan

July 9, 2018

Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Attn: Ted Yu, Chief, Office of Mergers and Acquisitions;
Christina Chalk, Senior Special Counsel, Office of Mergers and Acquisitions

Re: Proposed Tender Offers by SoftBank Corp. and Yahoo Japan

Dear Mr. Yu and Ms. Chalk:

We are writing this letter on behalf of (i) SoftBank Group Corp., a global technology company incorporated and based in Japan whose shares are listed on the Tokyo Stock Exchange, (“*SoftBank Group*”) (ii) SoftBank Corp., a privately-held telecommunications operator incorporated and based in Japan, and (iii) Yahoo Japan Corporation, an internet services provider incorporated and based in Japan whose shares are listed on the Tokyo Stock Exchange (“*Yahoo Japan*”), in connection with the proposed partial cash tender offer by SoftBank Corp. for up to an amount of shares of Yahoo Japan, corresponding to approximately \$2 billion (the “*Third Party Tender Offer*”), and the concurrent partial cash issuer self-tender offer by Yahoo Japan, for up to an amount of its shares corresponding to approximately ¥220 billion (the “*Self Tender Offer*” and together with the Third Party Tender Offer, the “*Tender Offers*”).

We have reviewed the letter, dated July 9, 2018, prepared by Morrison & Foerster LLP, on behalf of SoftBank Group Corp., SoftBank Corp. and Yahoo Japan, requesting certain exemptive and no-action relief in connection with the Tender Offers as described therein (the “*Letter*”). It is our opinion that the descriptions of Japanese law, regulation and practice in the Letter are fair, accurate and complete, as such descriptions relate to the Tender Offers.

The foregoing confirmation is limited to matters involving the laws of Japan and is not to be read as extending by implication to any other matters not referred to herein.

This letter is provided solely for the benefit of the addressee in connection with the transactions contemplated in the Letter and may not be used or relied upon by any other person or for any other purpose.

Sincerely yours,



Shuhei Kubota