

# HYBRIDS IN JAPAN

SOFTBANK CORP.

MORRISON & FOERSTER'S TOKYO OFFICE represented SOFTBANK CORP. in connection with its successful \$2.6 billion fundraising through the issuance of preferred (restricted voting) securities by one of its wholly-owned subsidiaries, SFJ Capital Limited, a Cayman Islands special purpose issuance vehicle. The transaction was the first publicly listed hybrid offering undertaken by a Japanese corporation. The preferred securities are listed on the Cayman Islands Stock Exchange.

Structuring hybrid securities to meet various ratings, tax, accounting and other objectives usually involves a delicate balancing act. In this case, the documentation comprised various agreements and offering documents governed by English law, Cayman Islands law and Japanese law (including the securities registration statement and agreements drafted in Japanese). In order to ensure that the various aspects of this complex and unprecedented transaction worked and fit together smoothly, the typical features of the preferred securities, and related loan and bond documentation had to be modified and harmonized extensively. In addition, a translation of the Japanese securities registration statement for the public offering in Japan was used as the basis for the listing prospectus on the Cayman Islands Stock Exchange and as such, it was necessary for the disclosure to meet both the Japanese and Cayman Islands public offer requirements. Given the complexity of the transaction and the multiple governing jurisdictions, seamless cooperation was essential.