



Yahoo Japan Corporation

FY2015-3Q Business Results

(October - December 2015)

February 2, 2016

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Yahoo Japan Corporation adopted International Financial Reporting Standards (IFRSs) beginning with the fiscal year ended March 31, 2015 (FY2014) with a transition date as of April 1, 2013.

Figures for the fiscal year ended March 31, 2014 (FY2013) are restated on an IFRS basis.

Unless otherwise specified, English-language documents are prepared solely for the convenience of readers outside Japan.

If there is any inconsistency between the English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.

Statements made at the meeting or included in the documents that are not historical facts are forward-looking statements about the future performance of Yahoo Japan Corporation and its consolidated subsidiaries and affiliates.

The Company cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Such factors include, but are not limited to, the items mentioned in “Risk Factors” in “Results for the Three Months Ended December 31, 2015.”

The unauthorized use of the information or the data in this document is not permitted.

FY2015-3Q

Financial Highlights

Executive Summary for FY2015-3Q



Revenue	196.4 (¥B)	YoY +82.6%	
Operating income	43.1 (¥B)	YoY -13.7%	
Net income attributable to owners of the parent	28.7 (¥B)	YoY -14.0%	
Diluted EPS	¥5.06	YoY -14.0%	
Advertising-related revenue	66.0 (¥B)	YoY +6.3%	Via smartphones 41.4%
Paid search advertising	33.4 (¥B)	YoY -10.4%	
Display advertising	32.6 (¥B)	YoY +31.4%	
Total domestic e-Commerce transaction value *1	429.1 (¥B)	YoY +32.2%	Via smartphones *2 43.6%
ASKUL Corporation's BtoB-related revenue (transaction value) via Internet *3	50.1 (¥B)		

*1 Includes Shopping-related and Auction-related transaction values, and ASKUL's non-consolidated BtoB-related revenue (transaction value) via Internet from Sep. 21 to Dec. 20, 2015.

Shopping-related transaction value includes revenue (transaction value) of LOHACO, operated by ASKUL, from Sep. 21 to Dec. 20, 2015.

*2 Proportion of transaction values via smartphones in Shopping-related business and Auction-related business.

*3 ASKUL's non-consolidated BtoB-related revenue (transaction value) via Internet from Sep. 21 to Dec. 20, 2015.

Executive Summary for FY2015-3Q



Advertising-Related Business

- Advertising revenue via smartphones increased steadily. (YoY +30.4%)
- Revenue from YDN and others continued to grow favorably. (YoY +52.2%)
- Paid search advertising revenue via PC is on a downward trend.

e-Commerce-Related Business

- Shopping: YoY growth rate in transaction value (*1) accelerated significantly. (YoY +48.3%)
- Shopping-related advertising revenue increased along with the revitalization of the sales platform. (YoY 2.3x)
- Auction-related: Growth rate in transaction value continued to show steady growth. (YoY +5.4%)

Credit Card Business

- Number of valid card holders at the end of 3Q was 1.8 million.
- Ratio of active users (*2) of Yahoo! JAPAN Card rose to a level of over 70% due to the successful marketing measures in cooperation with e-Commerce services.

6 *1 Includes transaction values of Yahoo! Shopping and LOHACO. LOHACO's transaction value is the revenue of LOHACO business, operated by ASKUL, from Sep. 21 to Dec. 20, 2015.

*2 The ratio of valid card holders who used our services other than the cash advance service in Dec. 2015 out of the valid card holders as of the end of Nov. 2015.

Strengthening of sales promotional activities in 2H is an investment to accelerate mid- to long-term profit growth

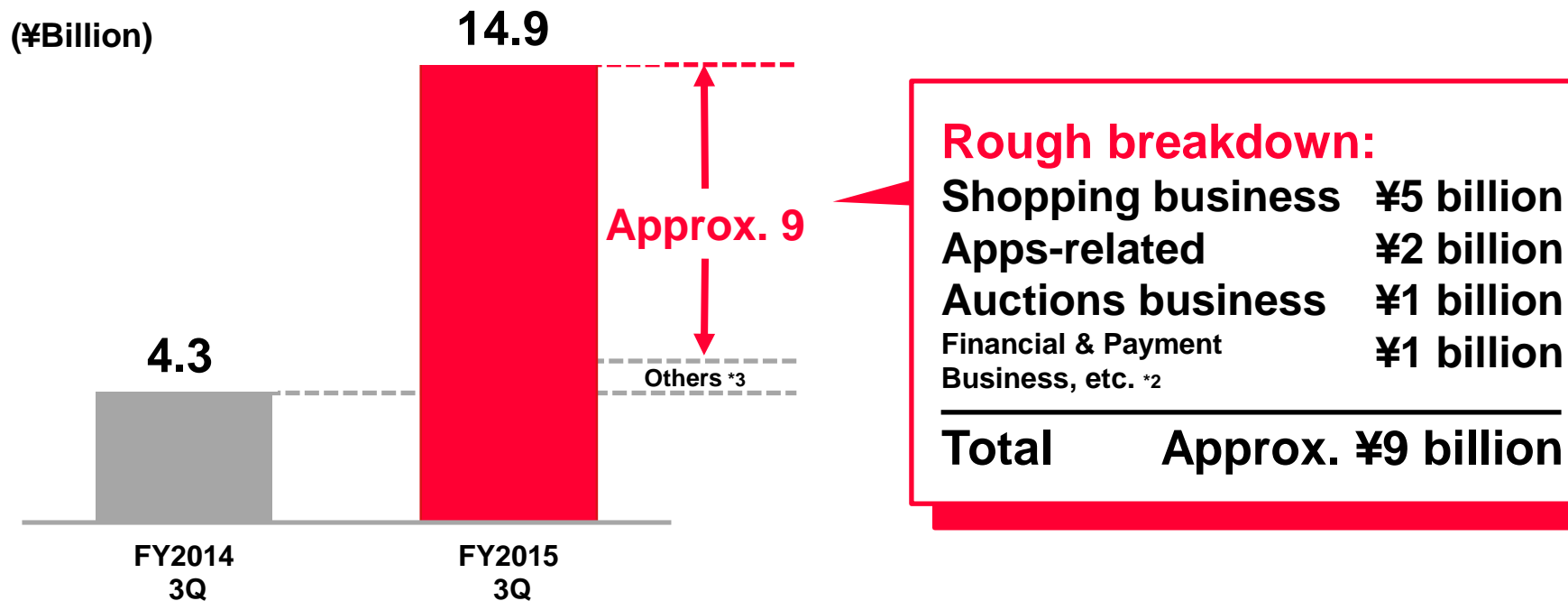
**Strengthening
of
media power**

**Expansion of
e-Commerce
business**

**Expansion of
Financial and
Payment
business**

**All measures have been conducted as planned
and achieved projected outcomes.**

Increased sales promotion-related costs ^{(*)1} by ¥9 billion YoY to step up sales promotion

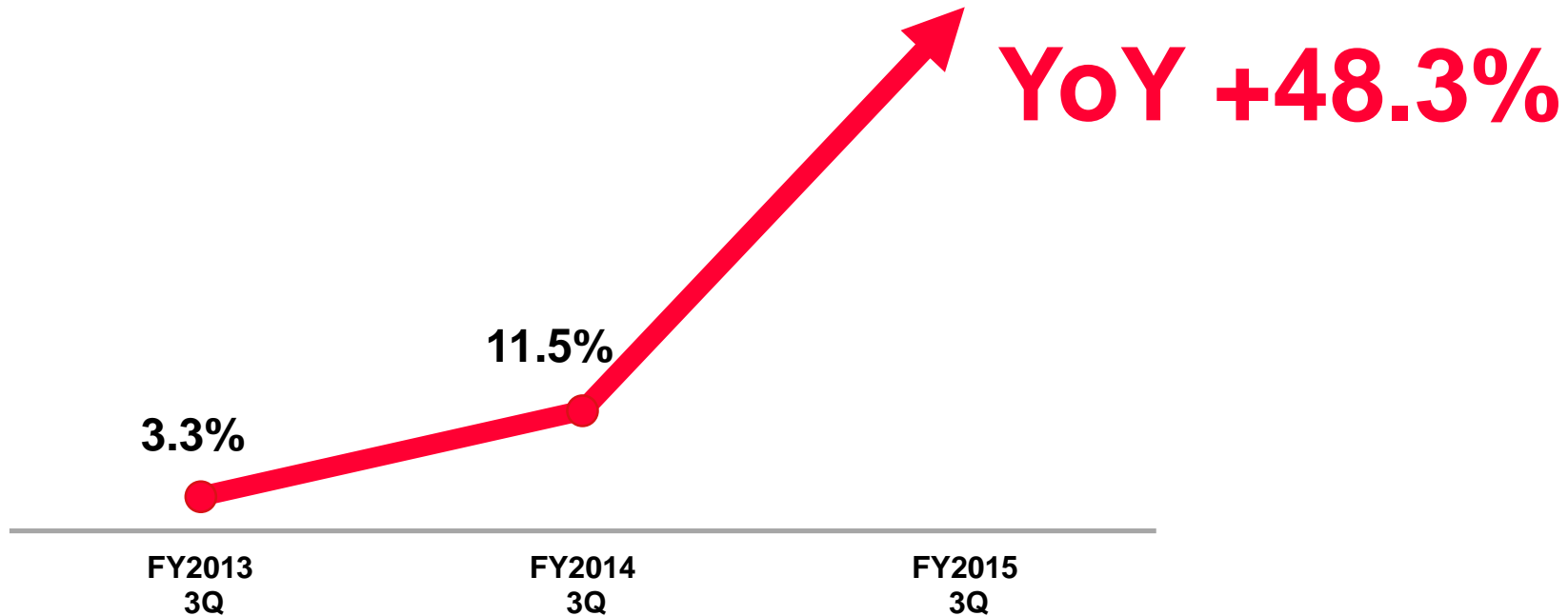


*1 Total of sales promotion costs and advertising expenses.

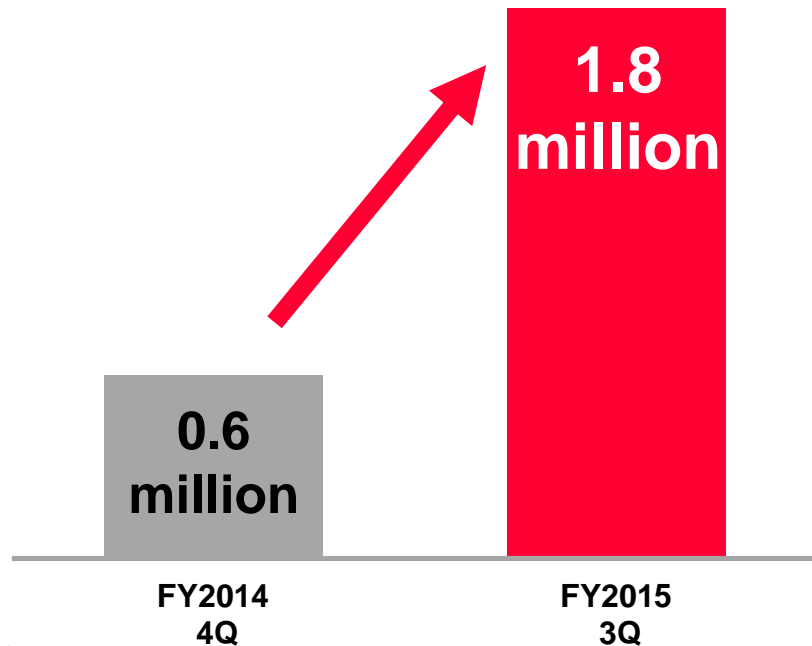
*2 Includes sales promotion costs and advertising expenses, etc., of Financial and Payment business and other services.

*3 Increase in the sales promotion-related costs for other subsidiaries.

Growth rate of shopping business transaction value dramatically accelerated due to synergies between “improvement of sales platform” and “customer attraction”



Number of valid credit card holders also increased steadily



Number of valid card holders increased 3x after the consolidation of YJ Card Corporation.

Tender offer for shares, etc., of Ikyu Corporation

Aim to make it a wholly-owned subsidiary

Aim to offer online lodging and restaurant reservation services, meeting customer segments and usage scenes.

Special
occasion



Daily use

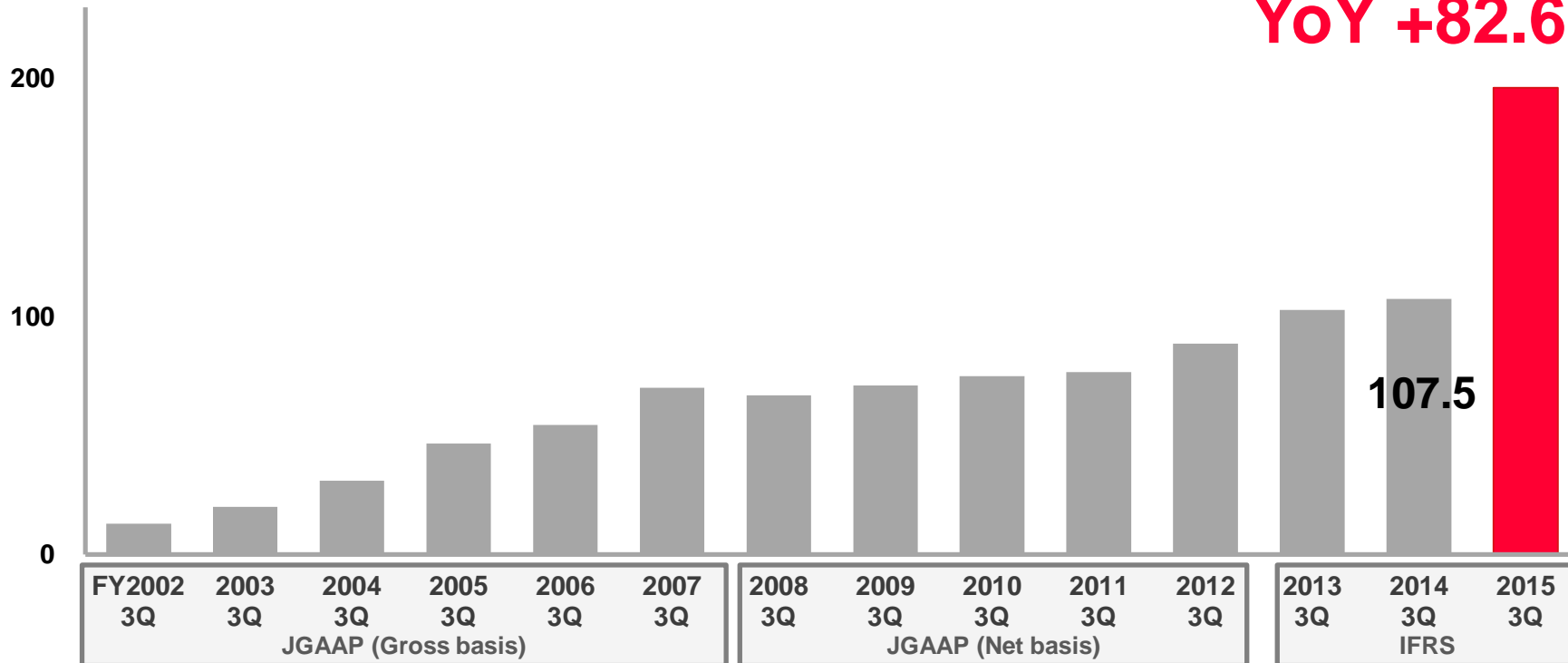


- Acquisition cost: Approx. ¥100 billion (planned)
- Ikyu's brand name and domain will be maintained.
- Using our user universe and database, effectively refer potential customers to Ikyu, which already has an established presence in the high-end segment. (planned)
- Establish a stable position quickly in the online restaurant reservation market which has a significant growth potential.

Revenue

¥196.4 billion
YoY +82.6%

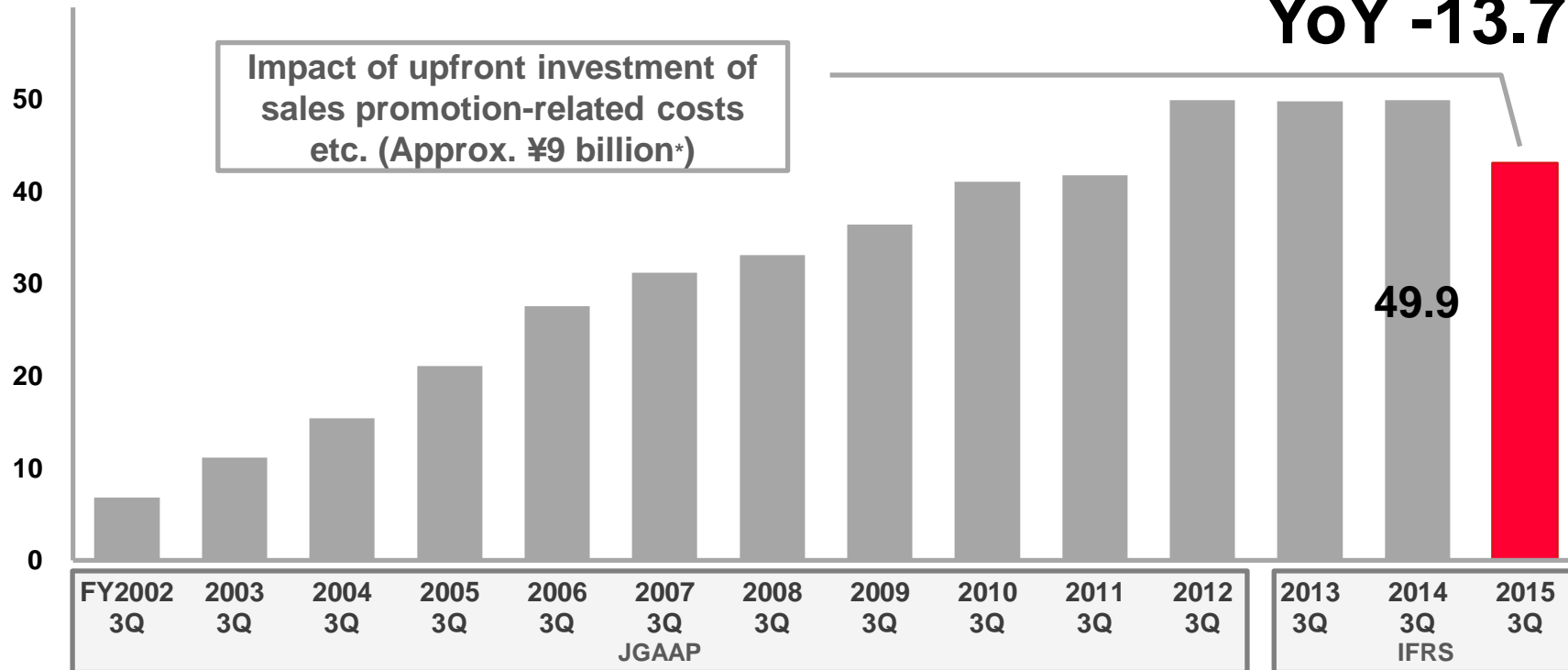
(¥Billion)



Operating Income

Conducted proactive sales promotional activities **¥43.1 billion**
YoY -13.7%

(¥Billion)

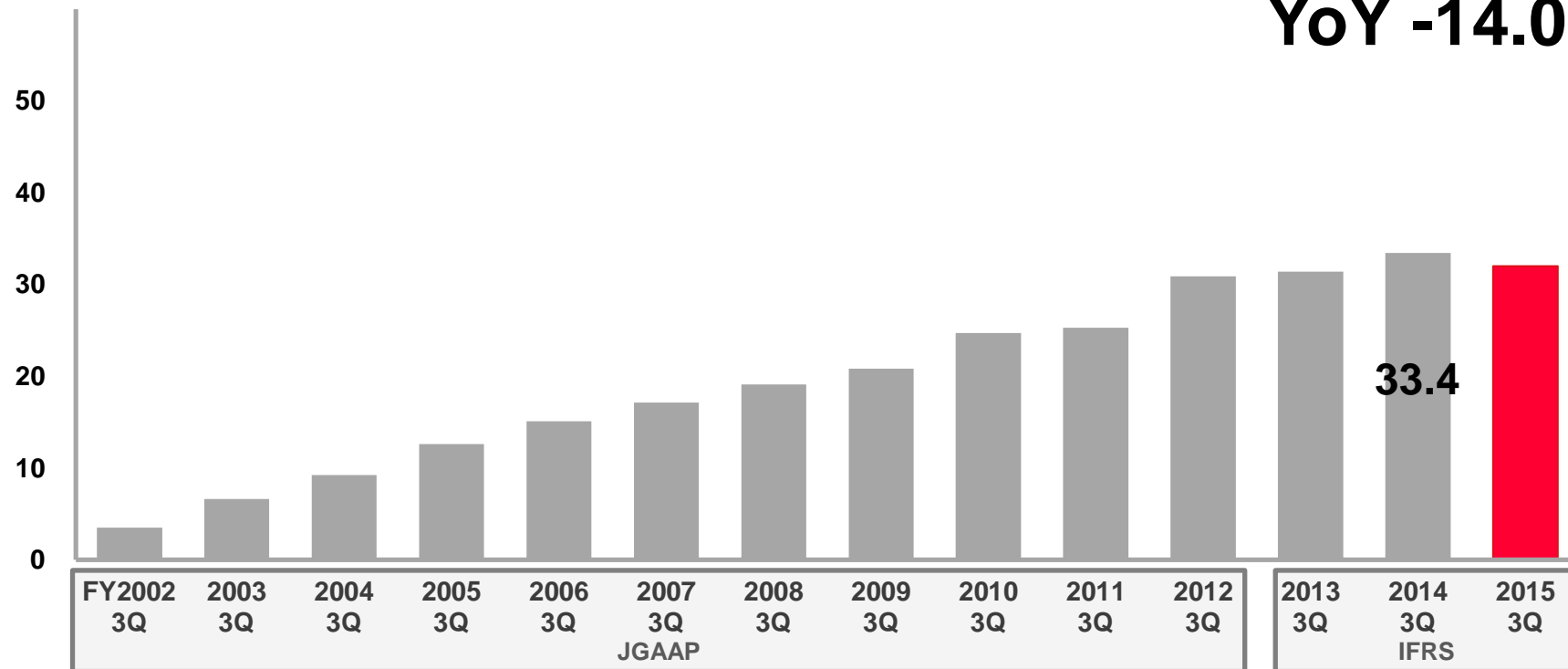


Net Income Attributable to Owners of the Parent

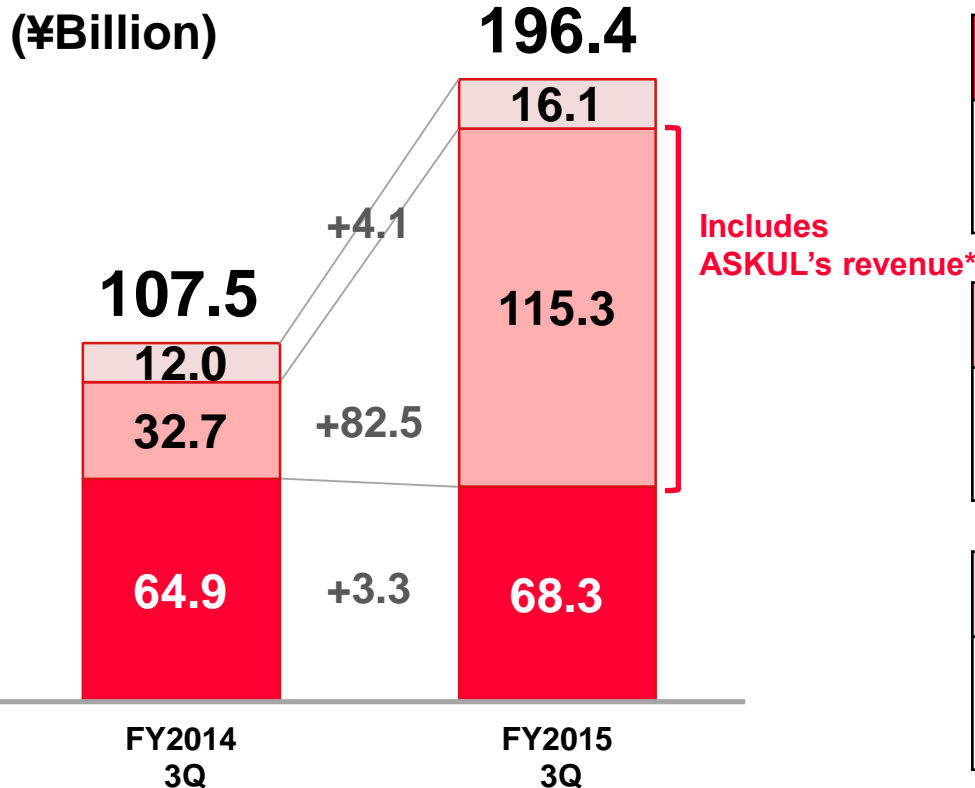


¥28.7 billion
YoY -14.0%

(¥Billion)



Quarterly Revenue Breakdown



Marketing Solutions Business
YoY +5.2%
Display advertising revenue grew
Consumer Business *
YoY 3.5x
Consolidation of ASKUL Corporation
Other Businesses
YoY +34.1%
Consolidation of YJ Card Corporation

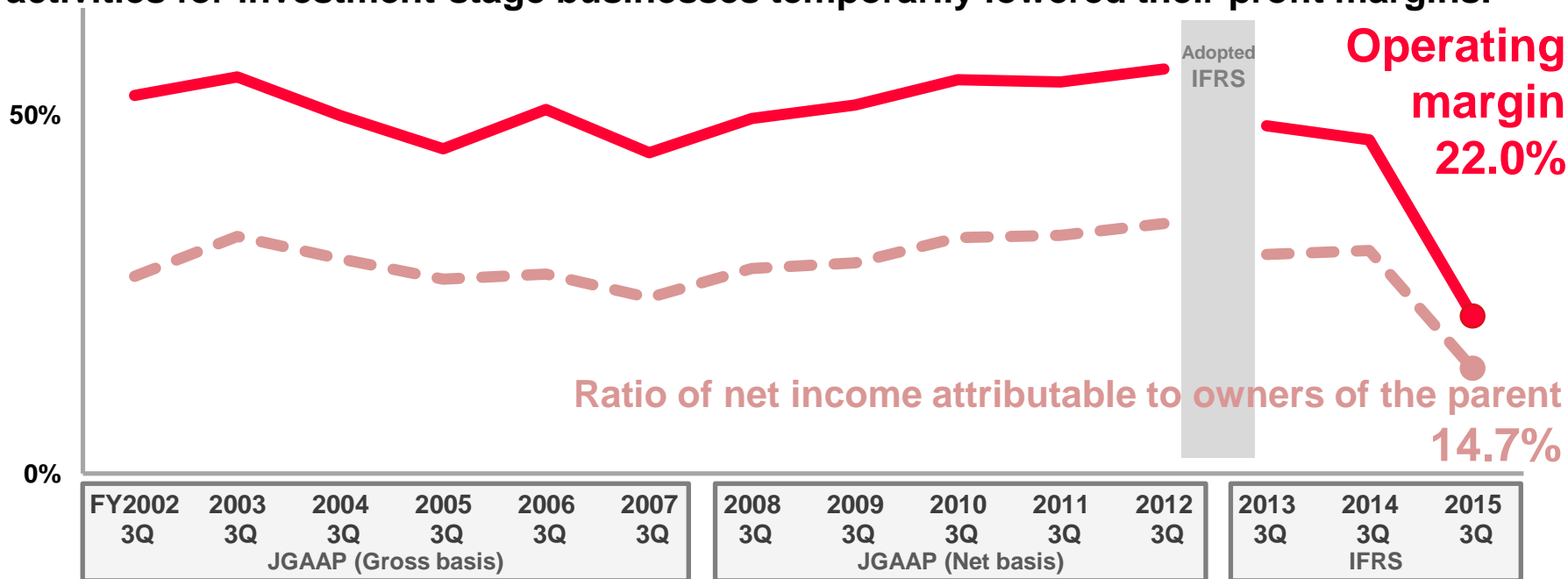
Note1: Figures for adjustments are not shown.

15 Note2: In cases where major services have been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

* Includes ASKUL's revenue of ¥79.9 billion (revenue after the elimination of internal transactions within ASKUL group).

Quarterly Margin

- Change in margin level due to increase in consolidated subsidiaries with different business models.
- Profit margin of core businesses is maintained, but aggressive sales promotional activities for investment-stage businesses temporarily lowered their profit margins.



16 Note1: Margins for FY2008 to FY2012 are affected by the change in the presentation basis for revenue from gross to net.

Note2: Figures after FY2013 are restated on an IFRS basis. Margins are affected by the adoption of IFRSs.

Key Performance Indicators

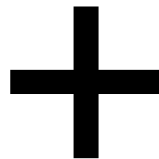
Past and Coming Three Years

The past 3 years

**Expanded service
usage and
enhanced
profitability in
smartphones**

The coming 3 years

**Expanding smartphone
usage via applications**

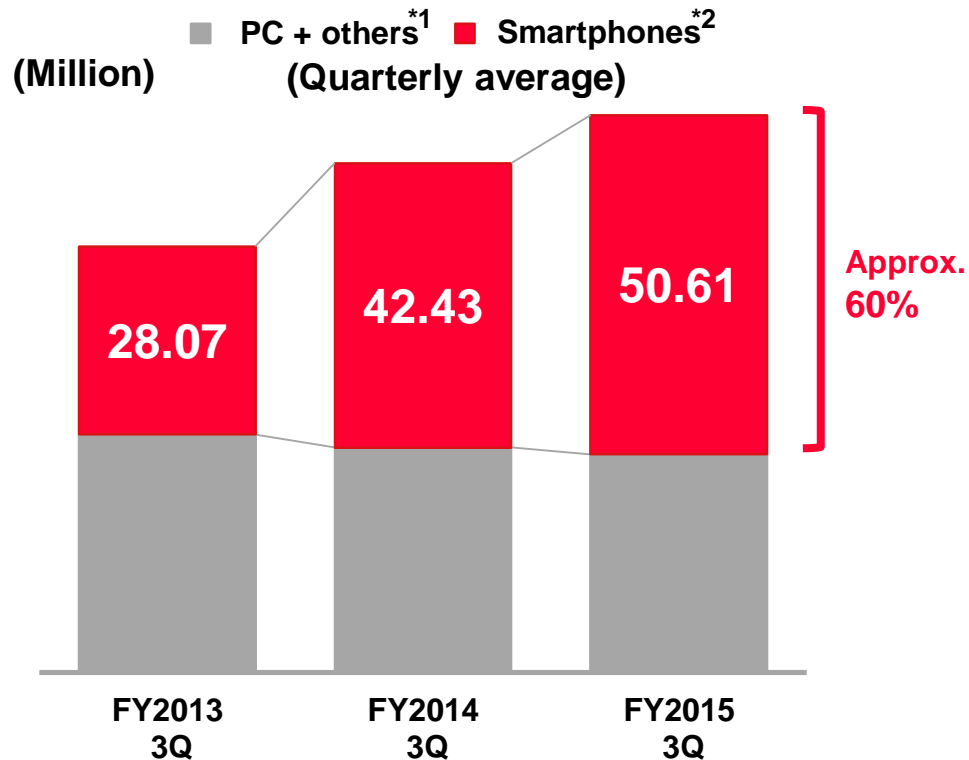


**Expanding total domestic
e-commerce transaction
value**

Daily Unique Browsers

Usage via
smartphones has
been spreading
steadily

YoY +19.3%

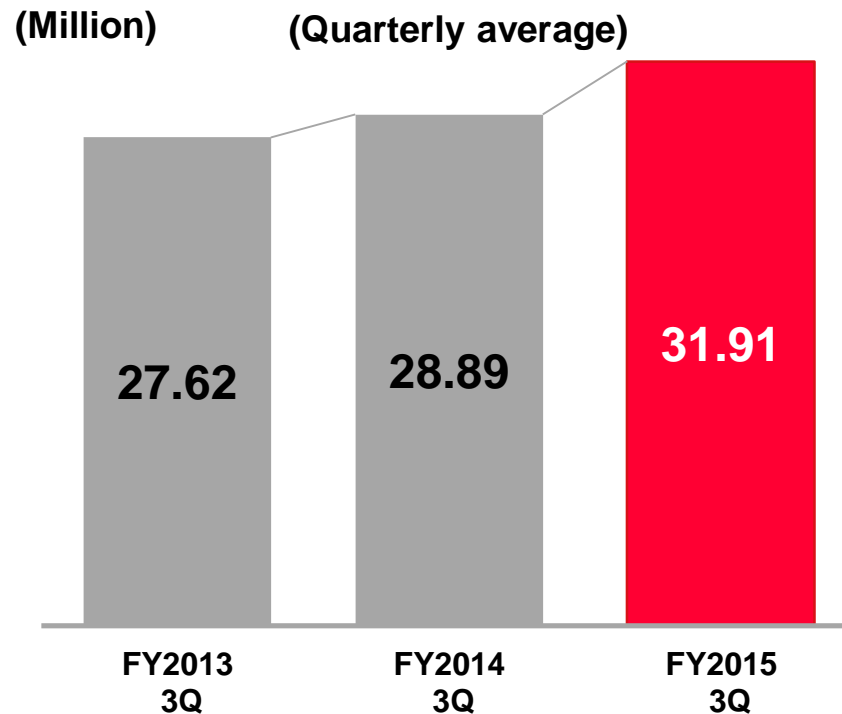


*1 Includes PCs, tablets and feature phones.

*2 Includes accesses to Yahoo! JAPAN via applications and browsers. Access via applications and access via browsers are counted separately, even if there is an overlap in users.

Number of Monthly Active User IDs

Promoted log-in
during usage of
services



Total Domestic e-Commerce Transaction Value **YAHOO!** JAPAN

Ongoing strategies progressing steadily

Since Oct. 2013

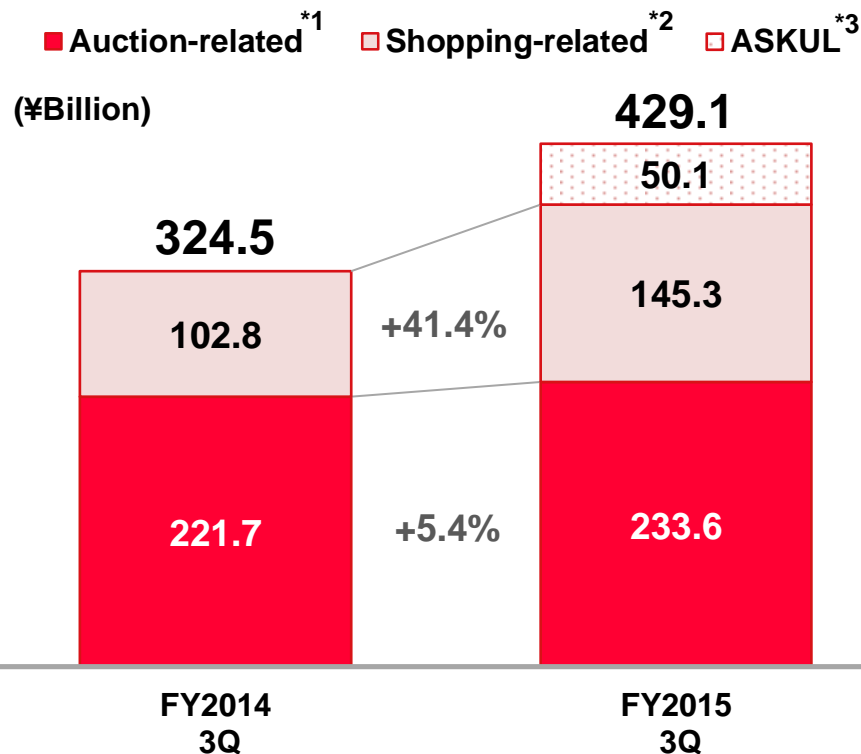
Made steady efforts to improve the sales platform and improved service quality

In and after 1H FY2015

Points provision measures to Yahoo!
Premium members were successful

Challenge in 2H FY2015

Conduct large-scale sale in conjunction with TV commercials and campaigns



^{*1} Includes transaction values of YAHUOKU!, tradecarview (<http://www.tradecarview.com/>), BOOKOFF Online (<http://www.bookoffonline.co.jp/>), and Yahoo! Tickets from April 2015. The prior data and comparative figures have been retroactively adjusted.

^{*2} Includes transaction values of Yahoo! Shopping, Yahoo! Travel, paid digital contents, LOHACO, Yahoo! Restaurant Reservation, etc.

Shopping-related transaction value includes revenue (transaction value) of LOHACO, operated by ASKUL, from Sep. 21 to Dec. 20, 2015. The prior data and comparative figures have been retroactively adjusted.

^{*3} ASKUL's non-consolidated BtoB-related revenue (transaction value) via Internet from Sep. 21 to Dec. 20, 2015.

Our Primary Revenue Sources

Core businesses

Upfront investment-stage businesses

Advertising
Membership services
Auctions

Shopping
Credit card

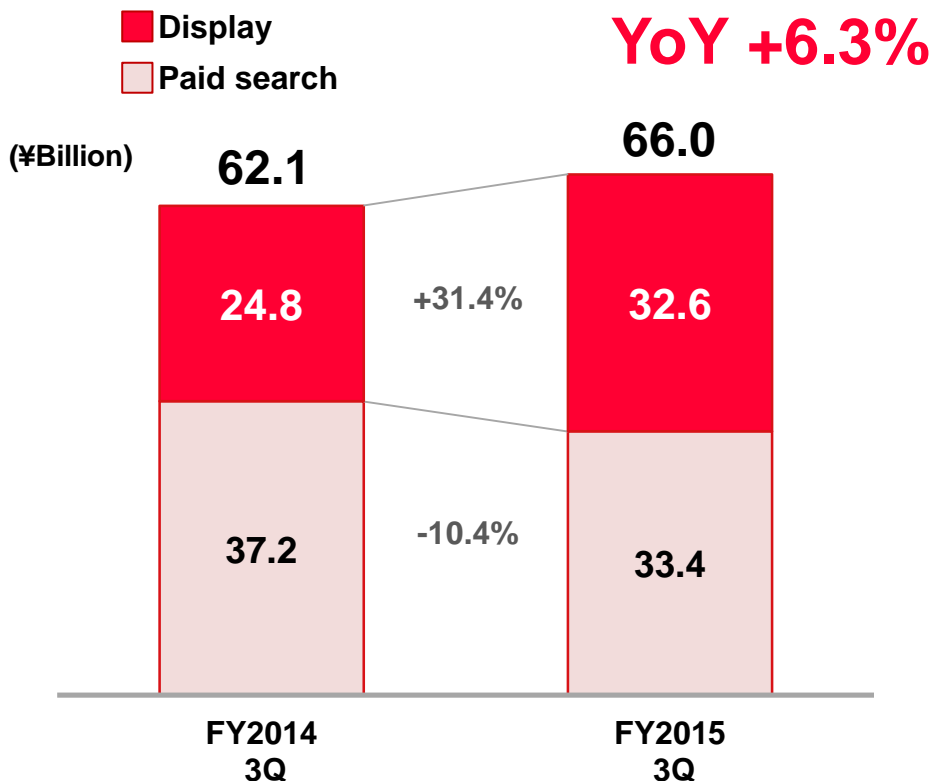
Core Businesses

Advertising

Membership Services

Auctions

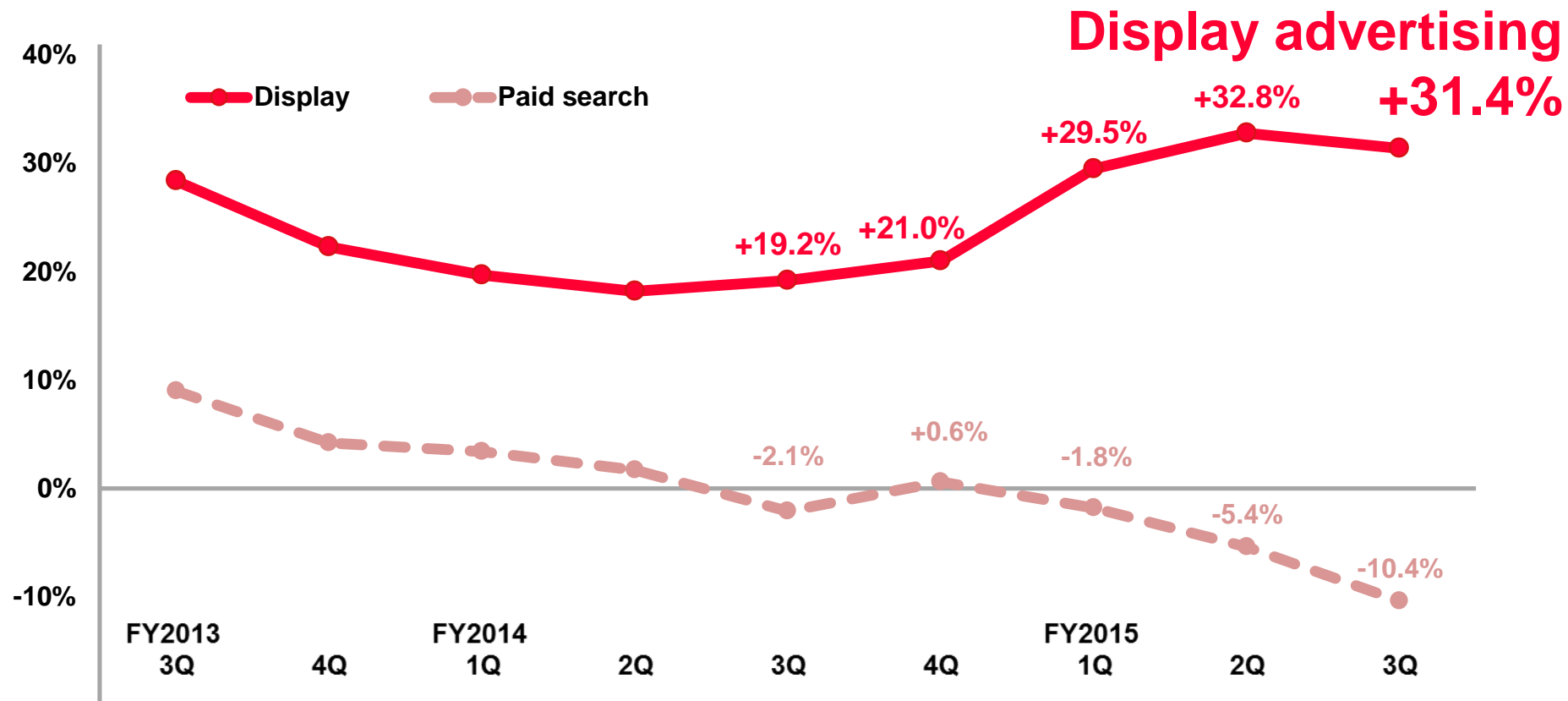
Quarterly Advertising-Related Revenue



**Growth in
display advertising**

**YDN continues to be
a major growth driver**

Quarterly Advertising-Related Revenue YoY Growth Trend

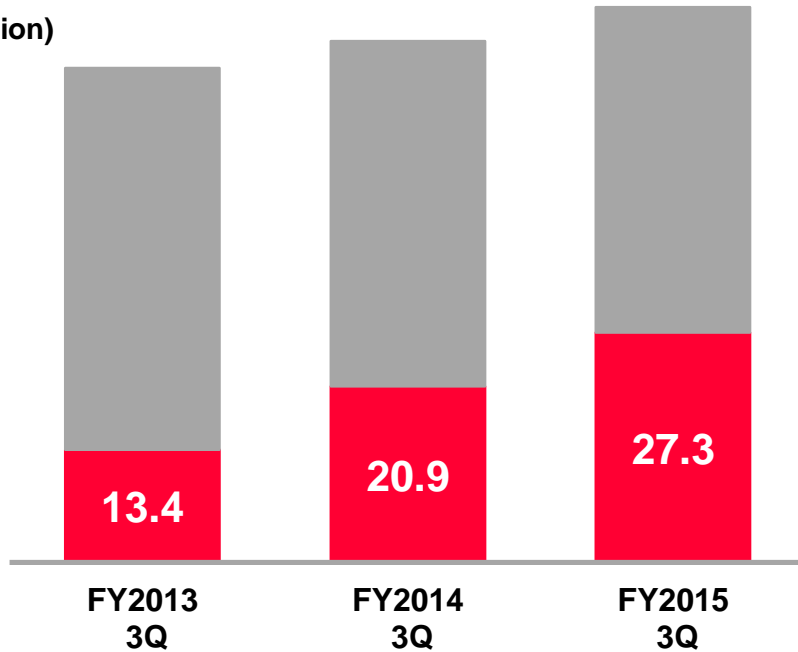


Advertising-Related Revenue via Smartphones **YAHOO!** JAPAN

■ Smartphone advertising revenue

YOY +30.4%

(¥Billion)



Ratio of advertising revenue via smartphones

41.4%

Core Businesses

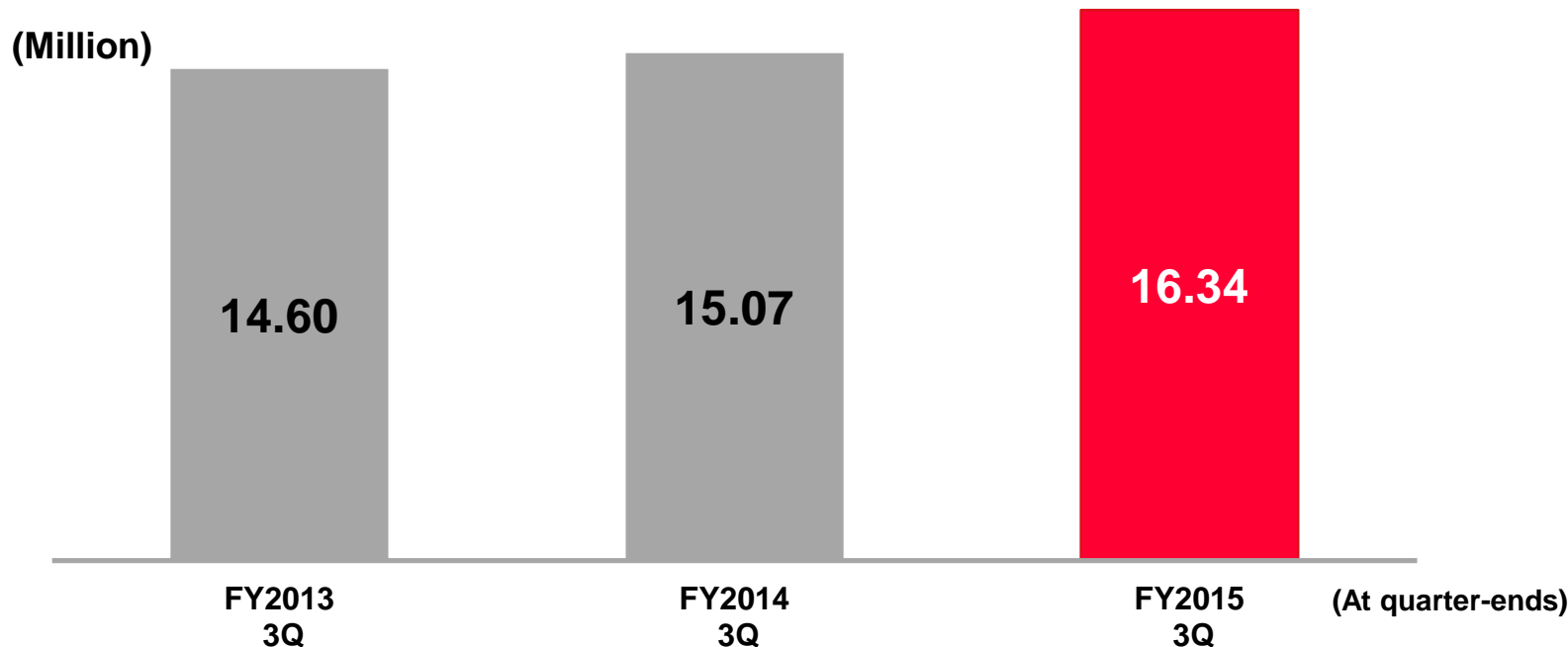
Advertising

Membership Services

Auctions

Number of Monthly Paid-Membership IDs

Monthly paid-membership IDs including Yahoo! Premium members was **16.34 million IDs**.



Note: Number of monthly paid-membership IDs is the total of membership IDs of Yahoo! Premium members, Yahoo! BB subscribers, monthly paid-subscribers of digital content and services provided by Yahoo! JAPAN and partner sites (IDs with payment through Yahoo! Wallet only). Paid-membership IDs are counted separately for each service, even if there is an overlap in IDs.

Yahoo! Premium Members

Revision of monthly membership fee from ¥380 to ¥462^{*1}

Enrich benefits tailored to the needs of members and promote further use of e-Commerce services.

Strengthening of
“Safe shopping protection”
+
Provision of points

Yahoo!
Shopping
5% of purchase
price^{*2}

YAHUOKU!
3% of purchase
price^{*2}
(Limited offer)

Core Businesses

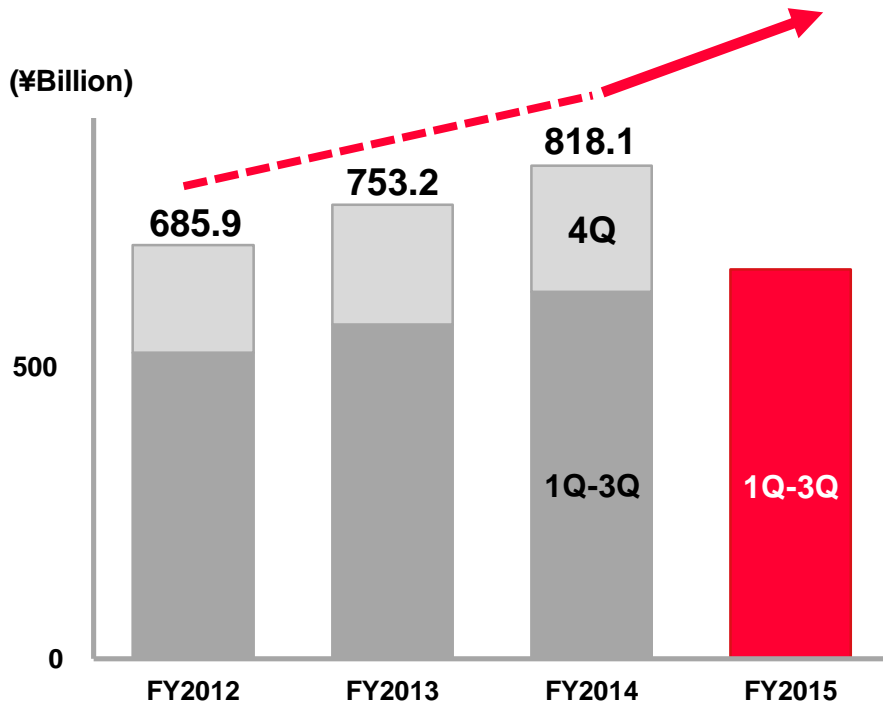
Advertising

Membership Services

Auctions

Auction-Related Transaction Value

Annual transaction value

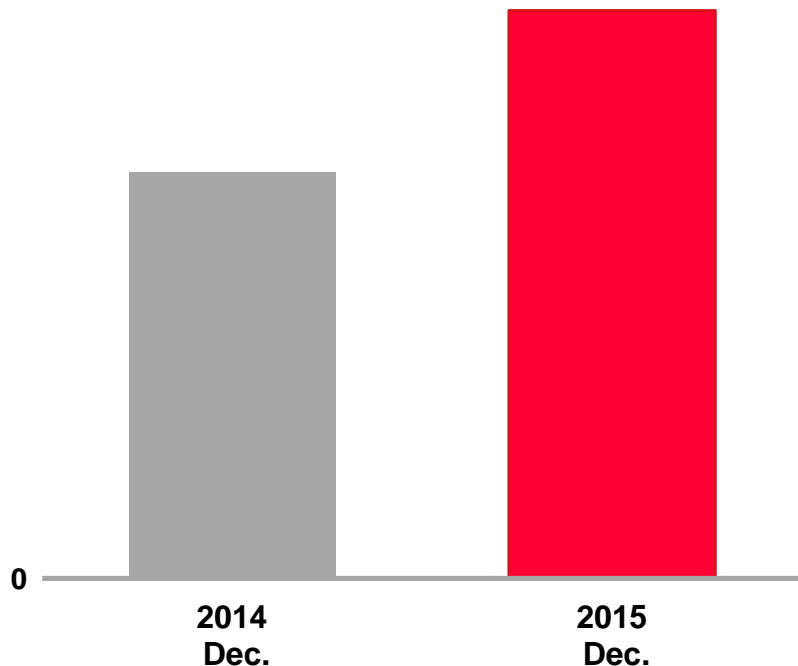


Annual transaction value is over
¥800 billion,
yet maintains mid- to high-single
digit growth rate.

Promotion of Application Usage

Transaction value from apps

YoY +46%



In addition to existing strengths, continued to make functional improvements to enhance convenience

Overwhelming number of products

+

Easy listing

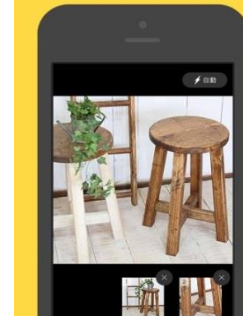
+

Easy transaction

約3800万点の
アイテムから選び放題！
※2015年3月現在



出品は最短で1分！



ボタンを押すだけ
かんたん取引！



Sales Promotional Activities in 3Q

• Good shopping day

YoY growth in transaction value *1 **+84%**

• Year-end sale

YoY growth in transaction value *2 **+7%**

• Created value-for-money shopping chances

• Transaction value for the target period achieved **a new record high!**

11月11日
いい買物の日

Nov.11 Good shopping day



YAHUOKU! Year-end mall

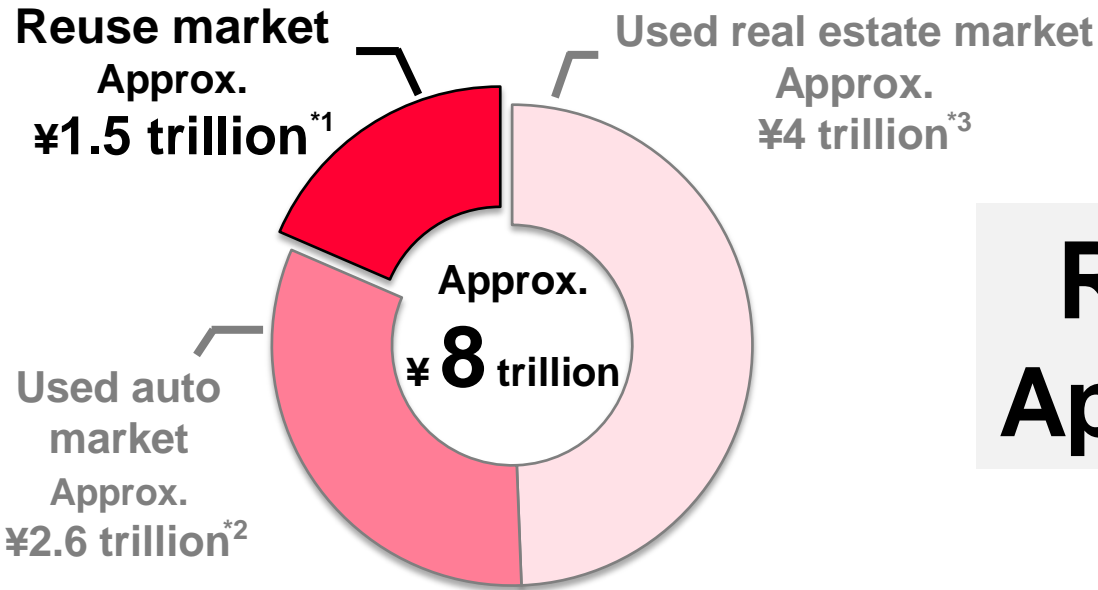
Note: Transaction value of YAHUOKU!, excluding categories of real estate, autos, etc.

*1 Comparison between Nov. 11, 2014 and Nov. 11, 2015

*2 Comparison between Dec. 14, 2014 (Sun.) and Dec. 13, 2015 (Sun.) (Comparison made for the same day of the week)

YAHUOKU!'s growth is sustainable

Existent market + Potential market



Reuse market
Approx. ¥3 trillion^{*4}

*1 Source: "Reuse business data book 2015" (Estimate in The Reuse Business Journal 2013)

*2 Source: "Factual investigation on the distribution/disposal of electric/electronic equipment and reuse promotion business for FY2009" (Ministry of the Environment, March 2010)

34 *3 Source: Size estimate calculated by this company with reference to "New Growth Strategy", Cabinet decision made on June 18, 2010 (National Policy Unit, Cabinet Secretariat)

*4 Estimate by Yahoo Japan Corporation

Measures to be focused on:

- 1. Refine easier-to-trade environment**
- 2. Excavate goods buried in homes**
- 3. Develop auto and real estate markets**

1. Refine Easier-To-Trade Environment

Enhance convenience for both buyers and sellers
Revision of system usage fee for sellers *1

Payment

Waived settlement
fee for buyers *2



Delivery

Attained fuss-free
and cheap delivery *3



Listing

Improved and
strengthened system
(Increased no. of images, etc.)



*1 For individual users, fee will be revised from 5.40% (tax inc.) to 8.64% (tax inc.) for auctions that close on or after 0:00 on Feb. 16, 2016.

For YAHUOKU! stores, fee will be revised from 5.40% (tax inc.) to 7.56% (tax inc.) for auctions that close on or after 0:00 on April 21, 2016 (Not applicable to certain categories).

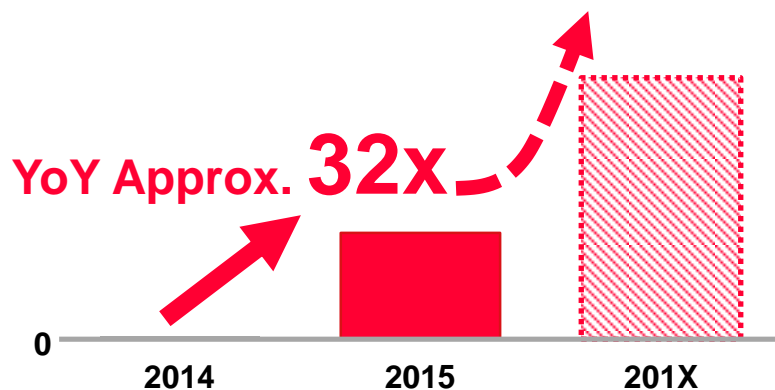
*2 Settlement fee for a successful bid paid by a buyer has been waived for auctions settled using "Yahoo! ezPay" on or after 0:00 on Jan. 15, 2016.

*3 Launched on Feb.1, 2016

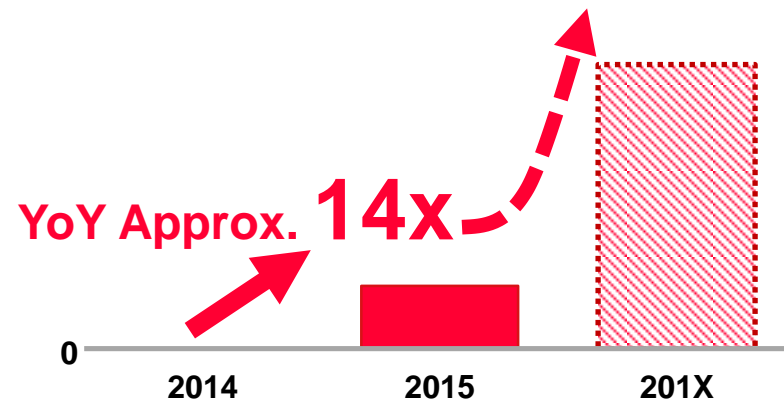
2. Excavate Goods Buried in Homes

Promoted the integration between real and Internet worlds as a first step
Partnership with BOOKOFF stores is showing a steady growth

No. of goods sold both in BOOKOFF stores and YAHUOKU! (Dec.) *1



Transaction value for goods sold both in BOOKOFF stores and YAHUOKU! (Dec.) *2



37 *1 No. of goods that can be bought in both BOOKOFF stores and YAHUOKU!.

*2 Transaction value of goods that were bought in YAHUOKU! when they can be bought in both BOOKOFF stores and YAHUOKU!.

3. Develop Auto and Real Estate Markets

Promote to go online



ヤフオク!公式ストア

Alliance with
JAPAN AUTOMOBILE AUCTION INC.,
HAA Kobe Inc.

Provide value-for-money and
reliable autos in the eyes of buyers,
through alliances with wholesale
markets of used autos



Alliance with Sony Real Estate
Corporation

A new real estate transaction
platform where apartments can be
listed at a price
decided by owners

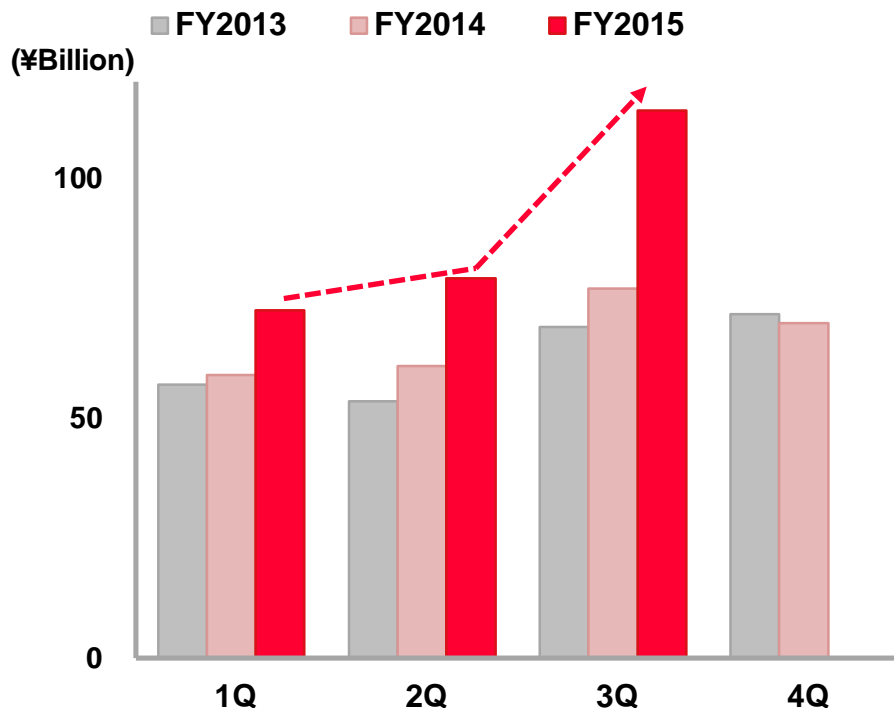
**As a pioneer, YAHUOKU! will
expand the potential of
reuse market**

Upfront Investment- Stage Businesses

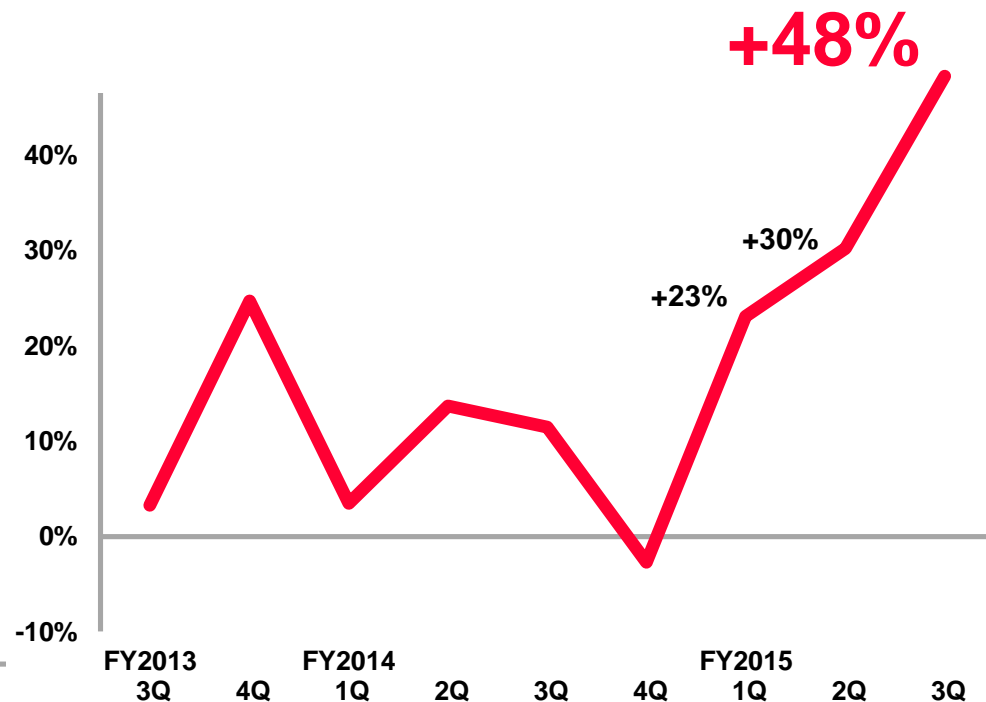
Shopping
Credit Card

Shopping Transaction Value (Yahoo! Shopping + LOHACO)

Quarterly transaction value

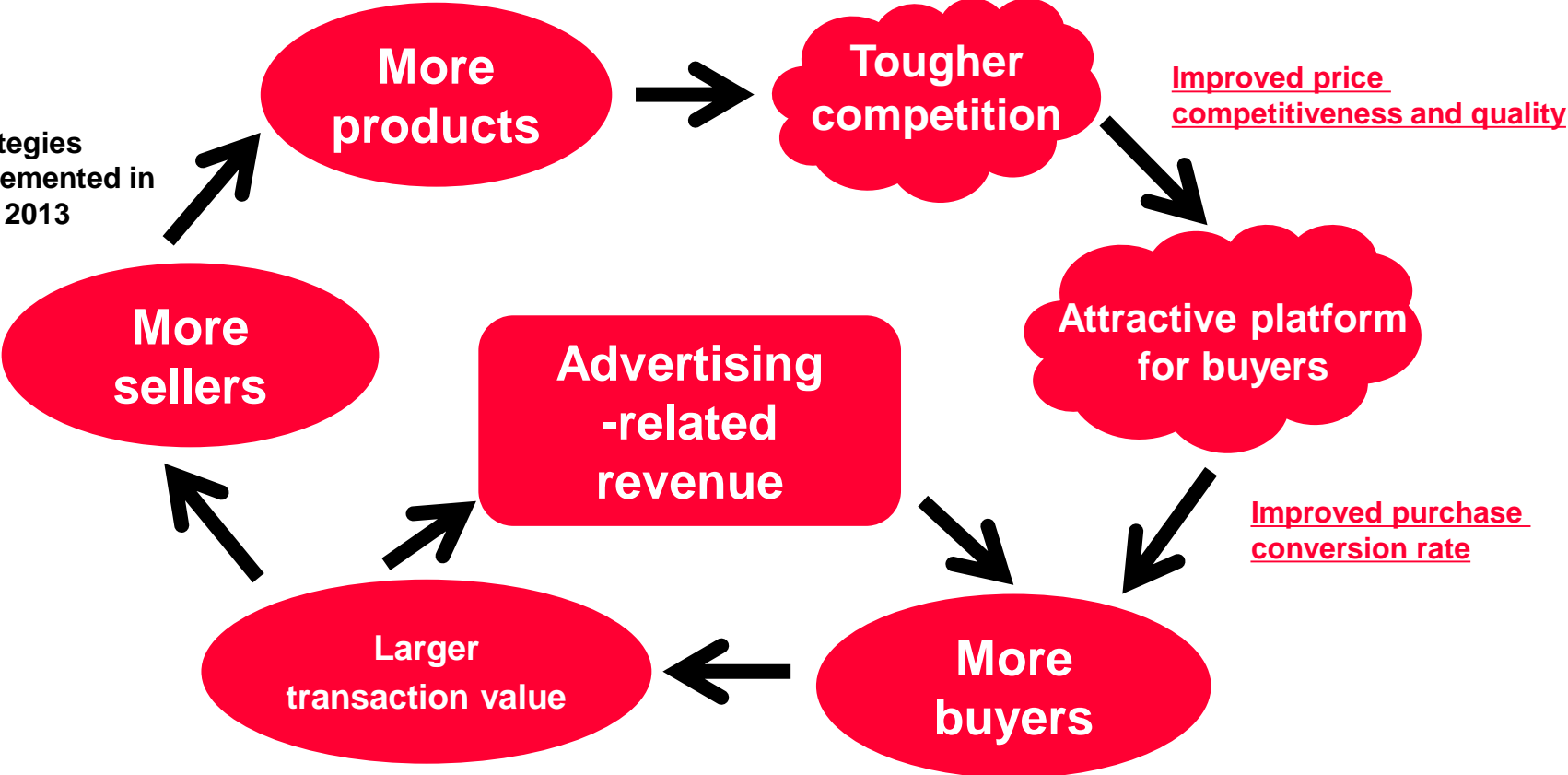


Quarterly YoY changes



Strategies

Strategies
implemented in
Oct. 2013



Measures to be focused on:

- 1. Enhance product lineup**
- 2. Sales promotions**
- 3. Link with membership base**

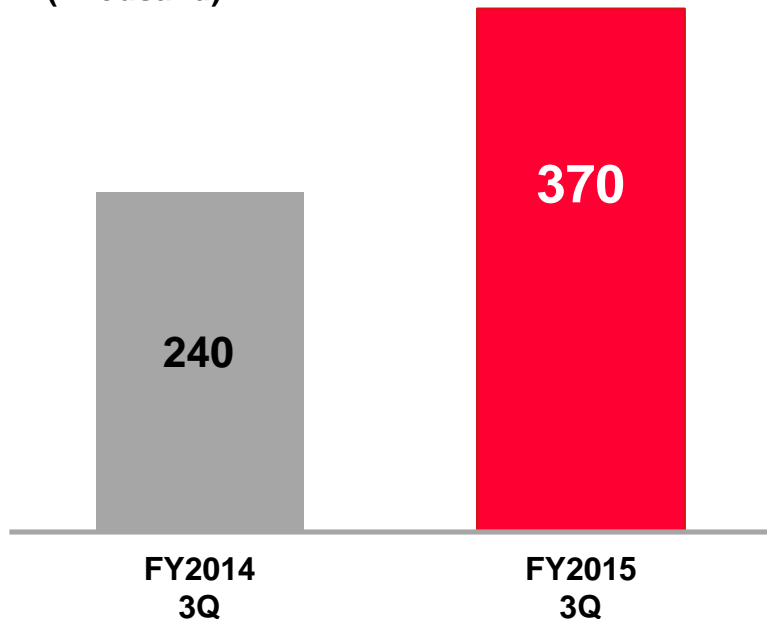
1. Enhance Product Lineup

Number of store IDs *

Number of items listed

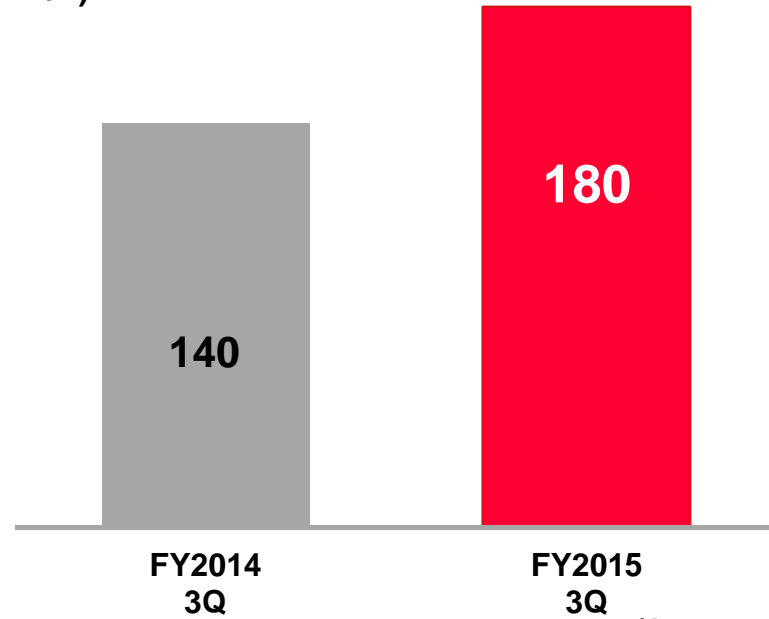
(Thousand)

YOY +54%



(Million)

YOY +29%



(At quarter-ends)

2. Sales Promotions



Transaction value
YoY Approx. 7x

Yahoo! JAPAN site image as of Nov. 11, 2015

2. Sales Promotions

T Points, 5% of purchase price,
for everyone, everyday

すごい!
年末セール

まいにち
ポイント5倍

Yahoo!プレミアム会員なら
ポイント9倍!

宮川大輔さんのテレビCMをご紹介します! <<<<

開催期間: 11/26(木)~12/20(日)

人気のカテゴリのお得情報もお見逃しなく!

- 年末セール
トップ
- メンズ
ファッション
- レディース
ファッション
- アクセサリ
時計
- 食品
ドリンク
- ダイエット
コスメ・キッズ
- インテリア
日用品
- スポーツ
レジャー
- 家電
パソコン
- 自動車
バイク

送料込み! 1000円ポッキリ価格特集 ▶ ポイントアップでお得! ずらり大集合 ▶ ほかのオススメ特集

毎日ポイント5倍! 1.8億商品から探す

検索

2. Sales Promotions

Yahoo! JAPAN 20th Anniversary Sale

(Planned)

3. Link with Membership Base

Strengthen synergies with other membership services
Promote the cross-use of services to increase buyers



Outcome of Measures

– Link with Yahoo! Premium membership



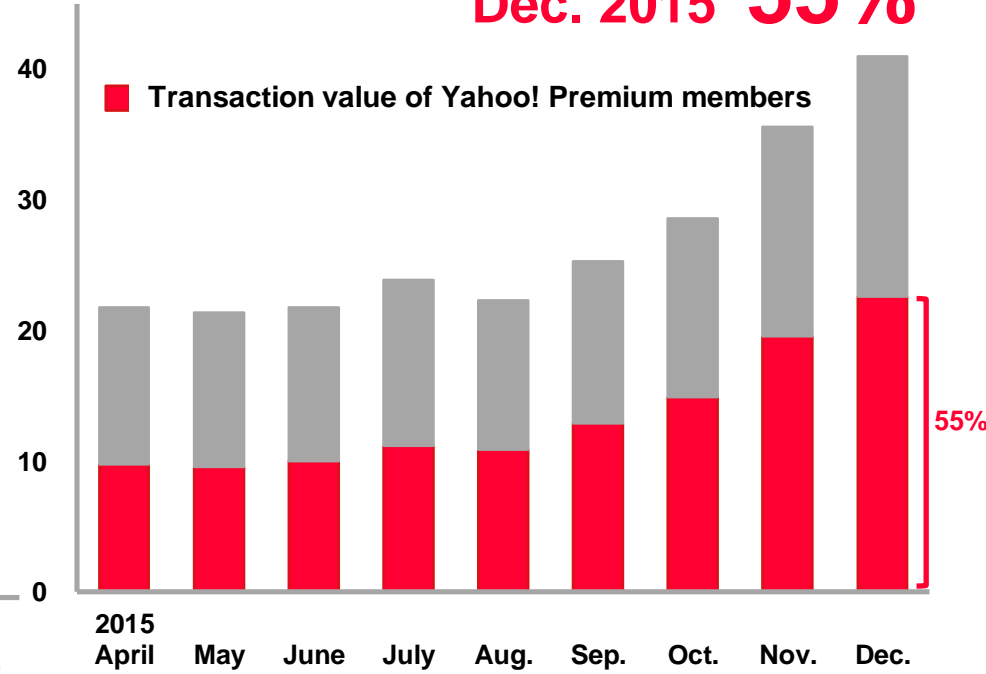
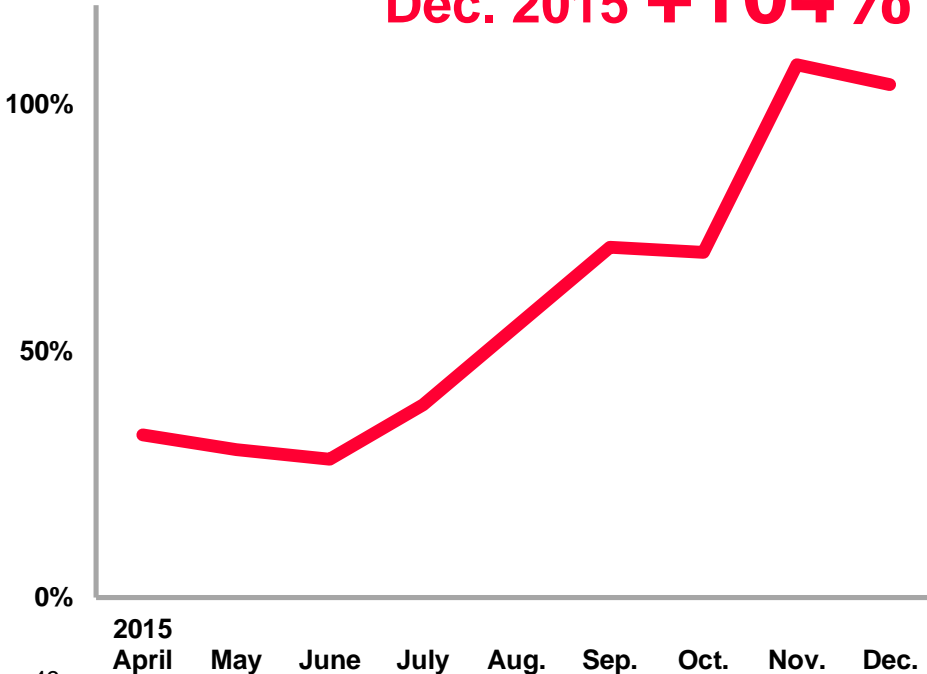
Transaction value of Yahoo! Premium members (*) YoY growth rate

Ratio of transaction value of Yahoo! Premium members to total transaction value *

Dec. 2015 **+104%**

(¥Billion)

Dec. 2015 **55%**



2015

2015

* Includes only transaction value of Yahoo! Shopping.

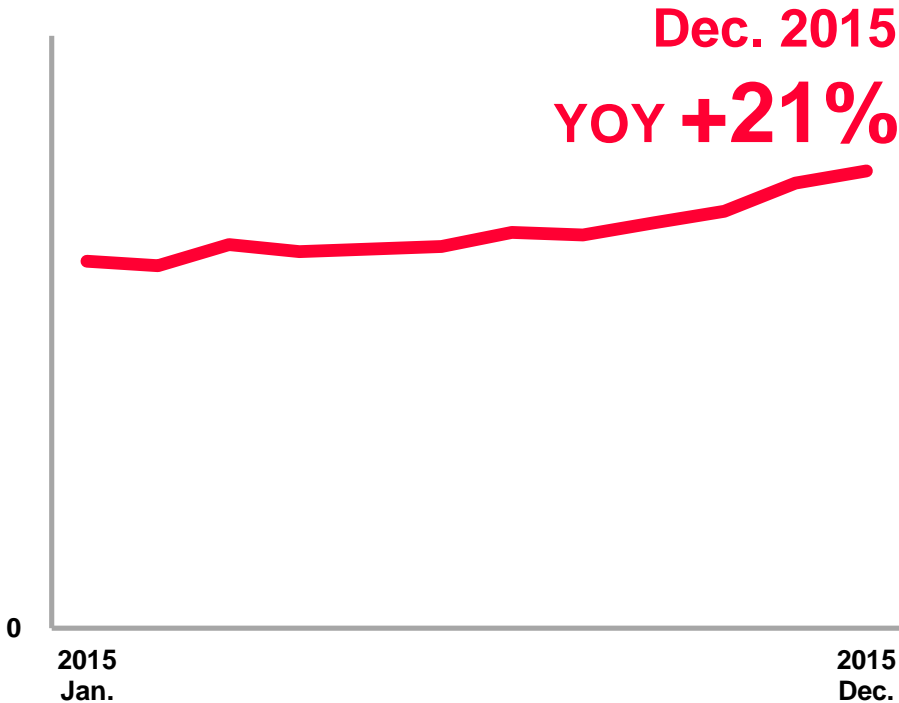
Outcome of Measures

– Indices that exhibit the attractiveness of the shopping platforms improved



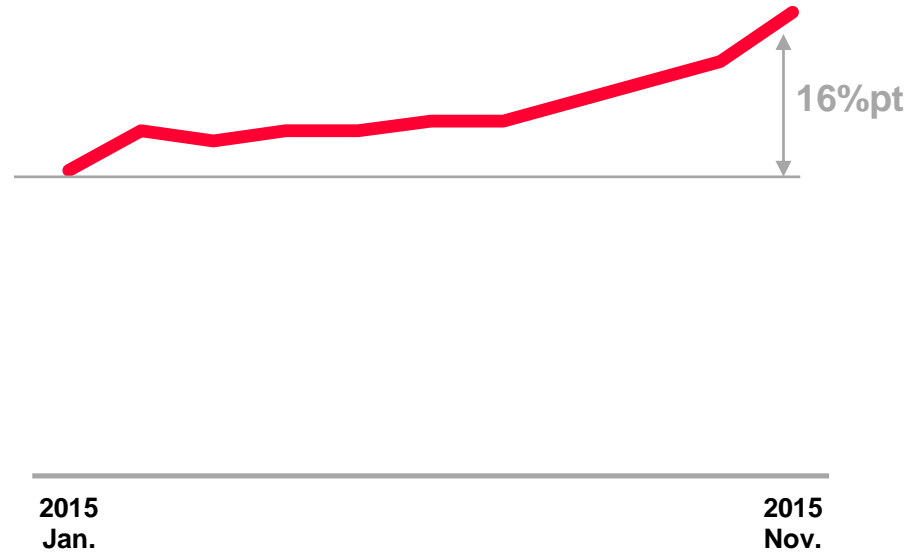
Average number of orders per month per customer *1

Repeat purchase ratio in the following month *2



Comparison between Jan. 2015 and Nov. 2015

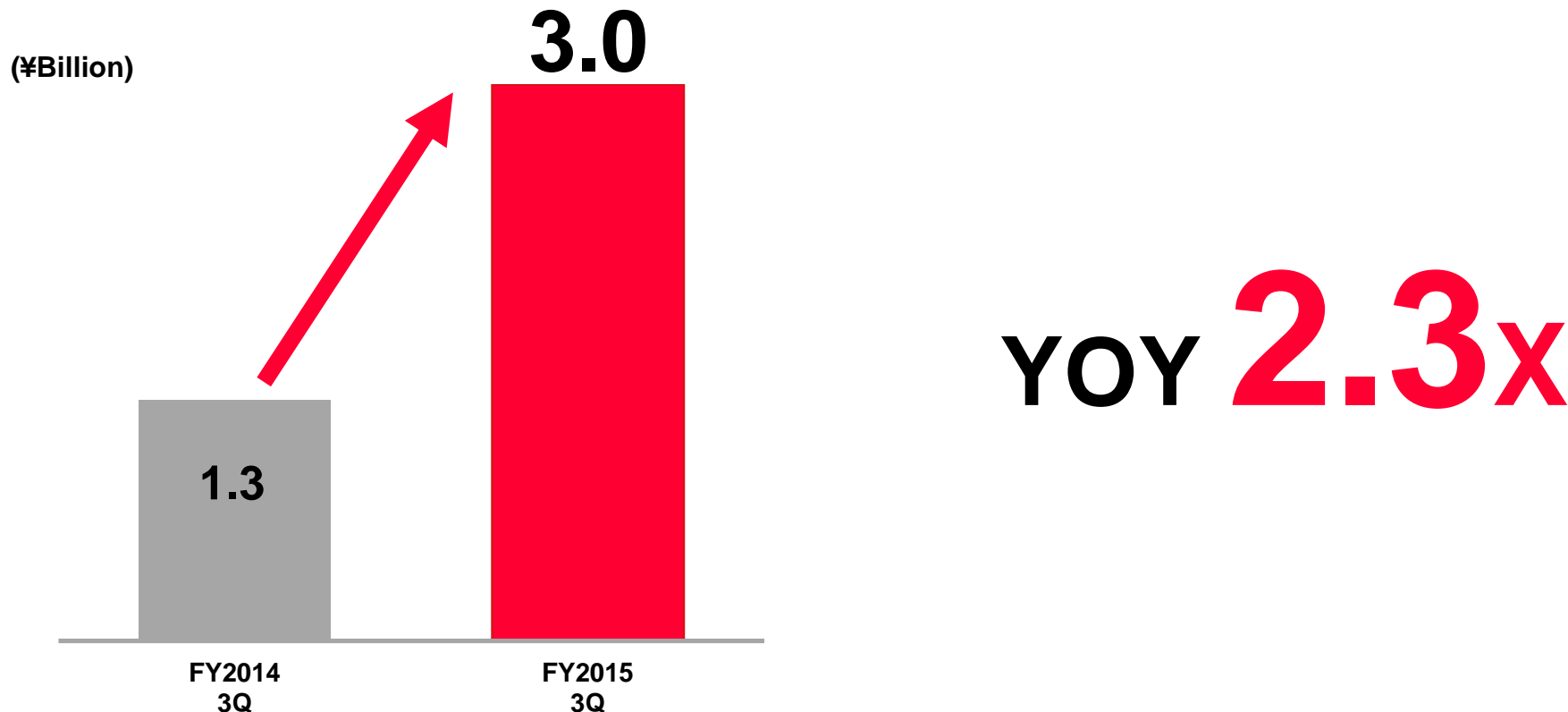
+16% points



*1 Average number of times a buyer makes purchases in one month.

*2 Ratio of buyers who purchase again in the month following the month when purchase was made.

Shopping-Related Advertising Revenue



Note: Total of advertising revenue in Consumer Business segment; advertising revenue of “Store Match”, an advertising product in Yahoo! Shopping sold by ValueCommerce Co., Ltd. to stores in Yahoo! Shopping; and revenues of paid search advertising and YDN, etc., placed by stores in Yahoo! Shopping. Revenues of paid search advertising and YDN, etc., placed by stores in Yahoo! Shopping are accounted for in the advertising revenue of Marketing Solutions Business segment.

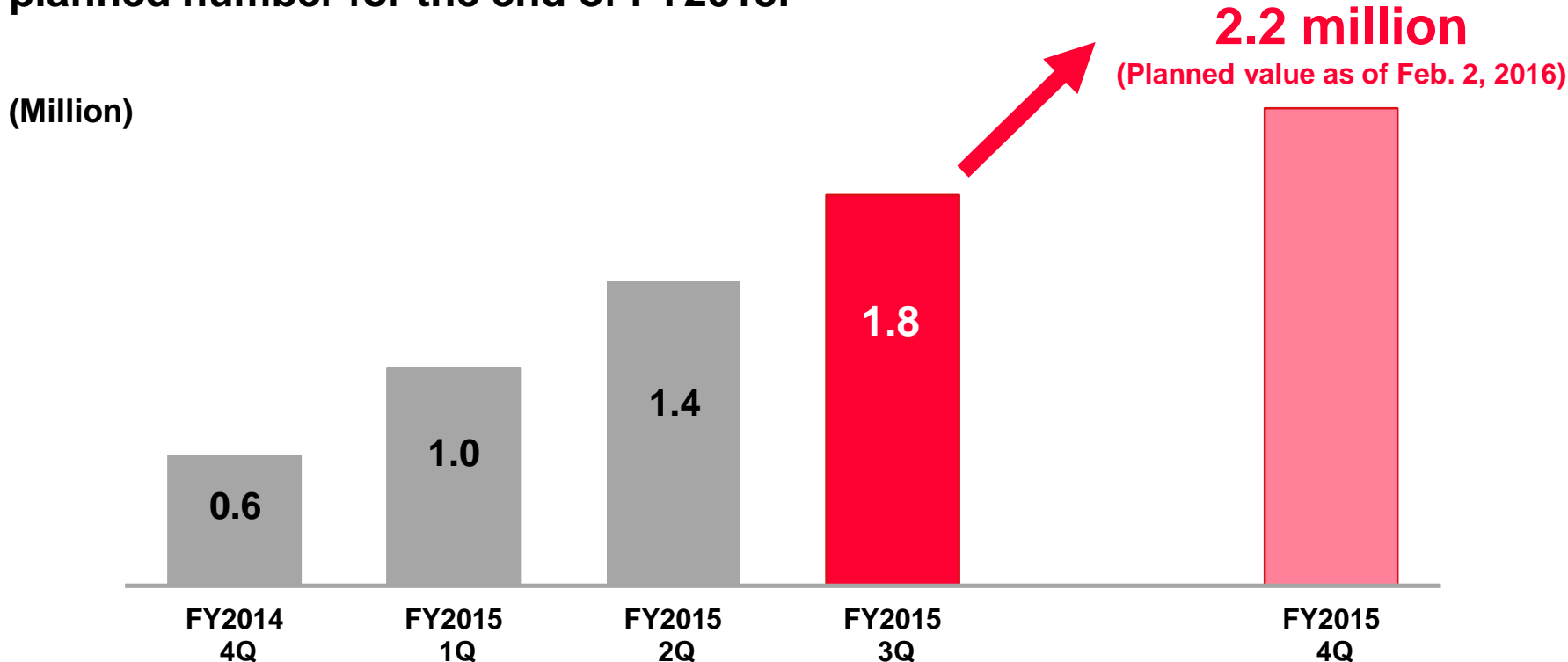
**Grow into a value-for-money
platform where shoppers can find
whatever they want**

Upfront Investment- Stage Businesses

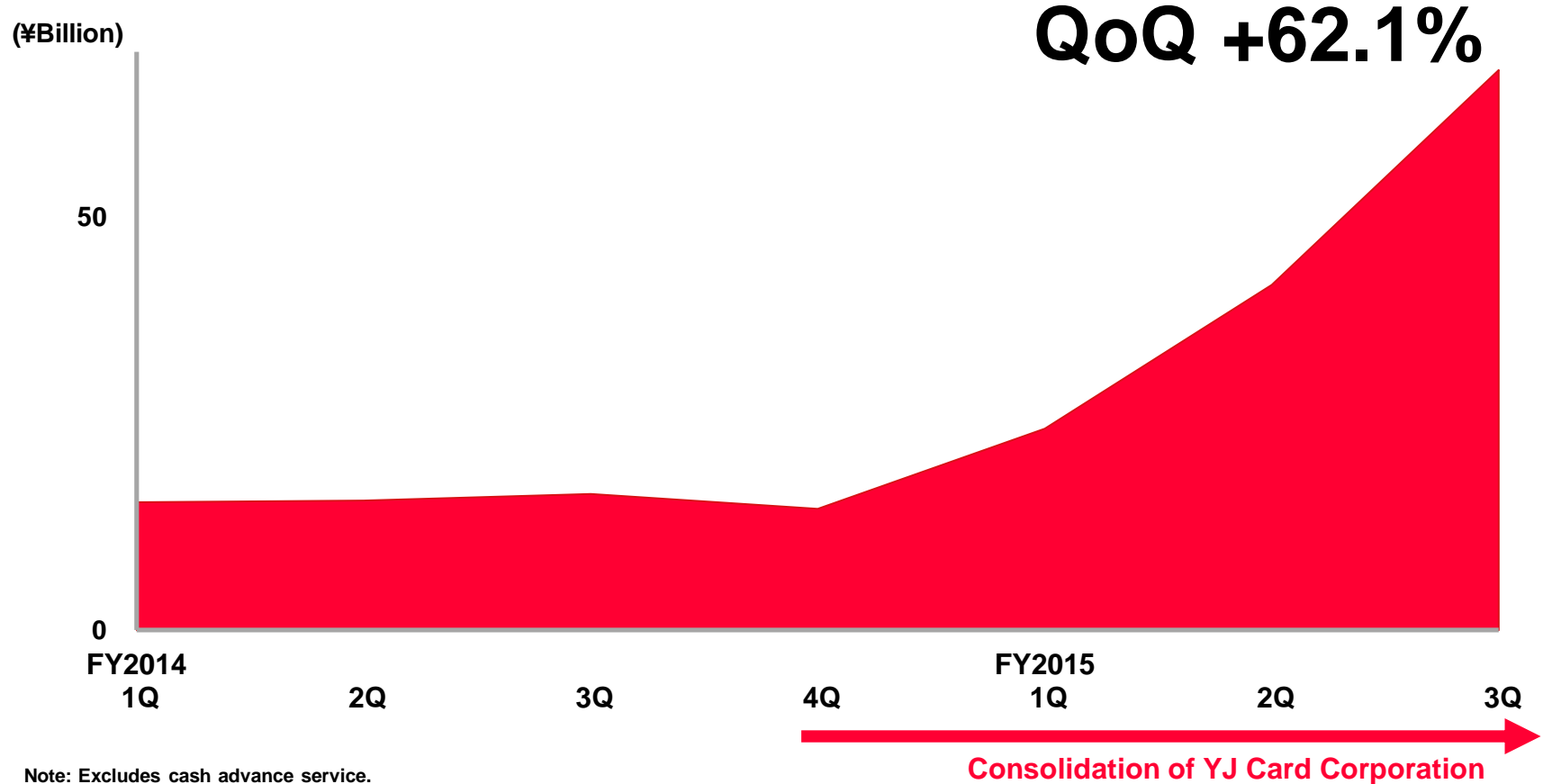
Shopping
Credit Card

Progress in Credit Card Business

Number of valid card holders increased steadily on schedule to achieve the planned number for the end of FY2015.



Trends in Card Transaction Value

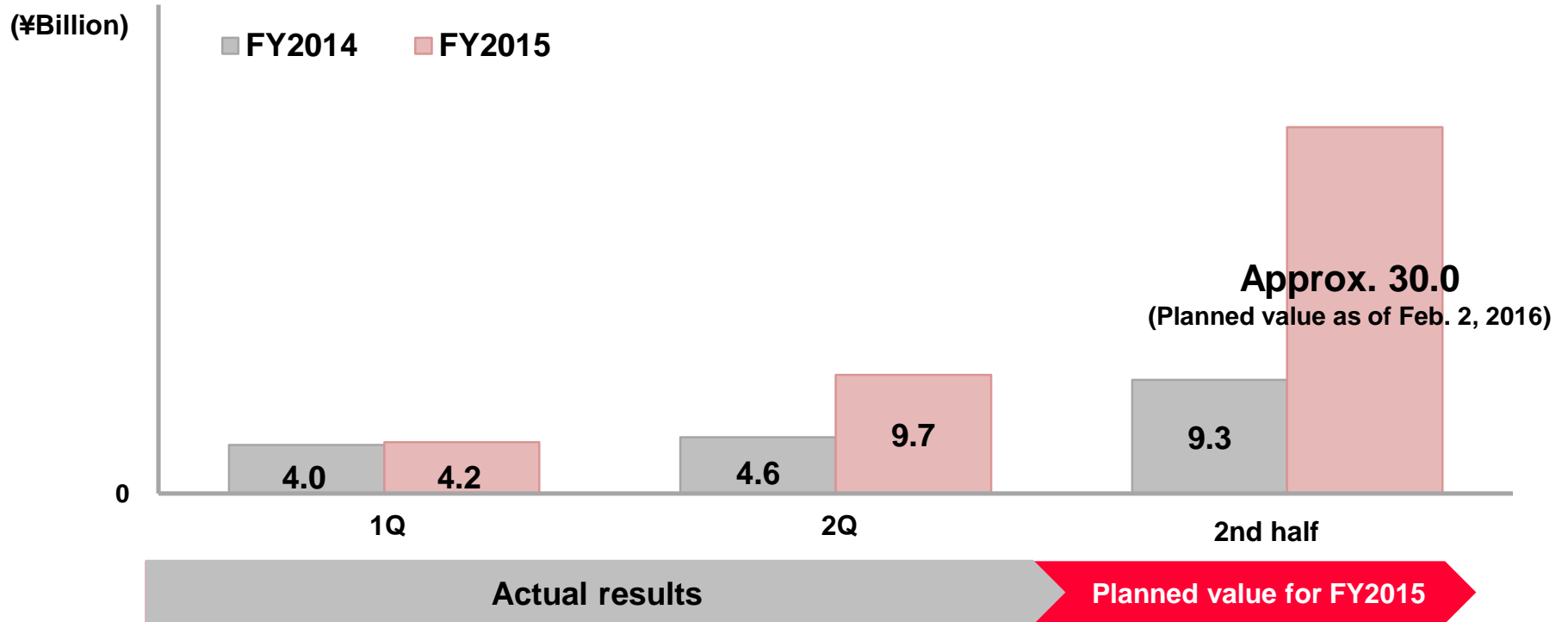


In Pursuit of Further Growth

**Efficient sales promotional activities
with a focus on ROI
will be continued in 4Q.**

Sales Promotions in the 2nd Half of FY2015 YAHOO! JAPAN

Proactively continue mainly with measures that were successful in 3Q.



Goals for Major Businesses

e-Commerce

Larger domestic transaction value

- Shopping business
Maintain the growth rate (YoY) for FY2015 3Q in 4Q

Financial and Payment

More users of financial and payment-related services

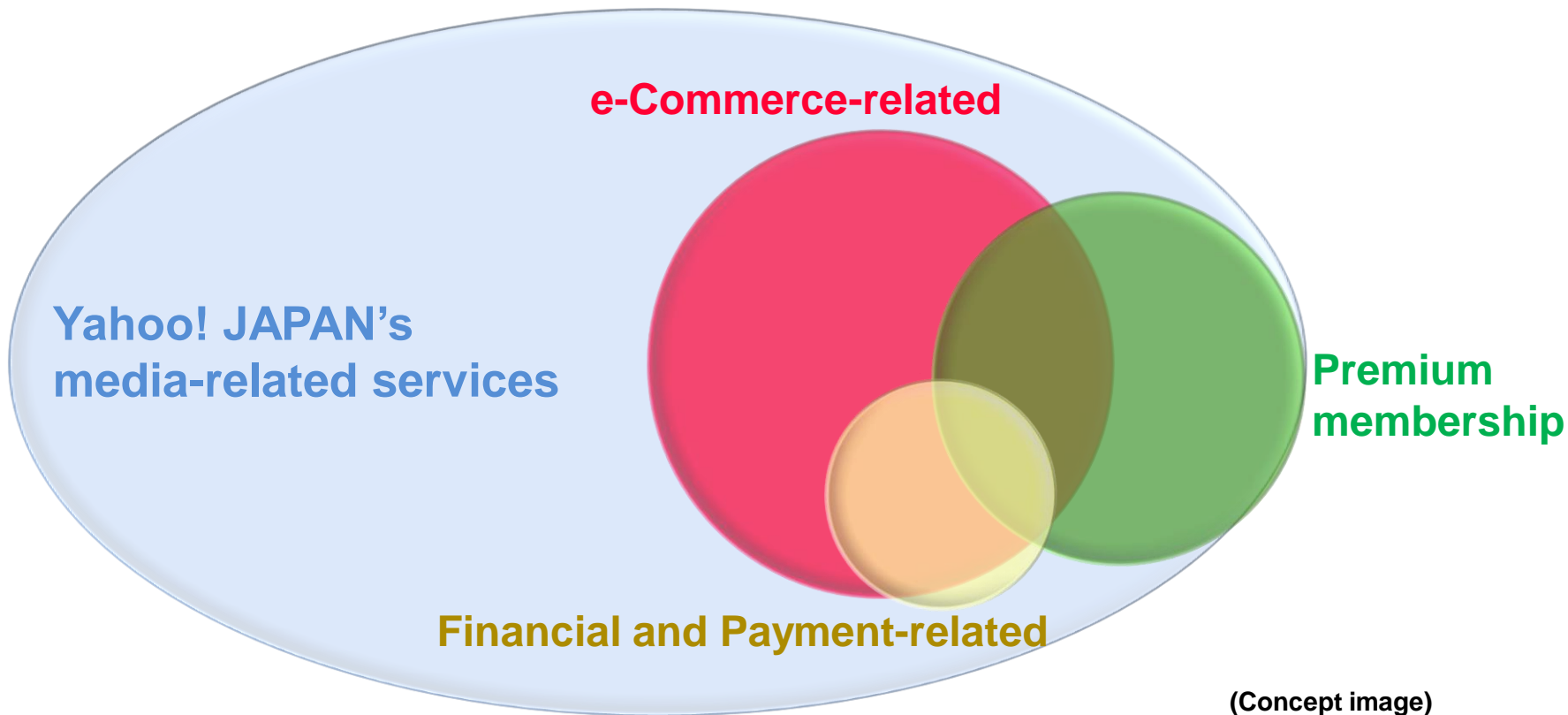
- Credit Card business
2.2 million valid card holders by the end of FY2015

Media

Stronger media power

- Promote service usage via smartphones
- Continuously increase number of application users

**Promote the cross-use of
e-Commerce/Payment/Membership services to Yahoo! JAPAN users**



Business Results Supplemental Information

P. 61 FY2015-3Q Business Results

P. 68 Business Data

**P. 71 Organization, Personnel and
Affiliated Companies**

FY2015-3Q Statements of Income

	14/3Q	15/3Q	Increase/ Decrease	Change
Revenue (¥Billion)	107.5	196.4	88.8	+82.6%
(Reference) Revenue (Excluding ASKUL Corporation) (¥Billion)	107.5	116.4	8.9	+8.3%
Cost of Sales (¥Billion)	21.7	86.8	65.1	+299.4%
Gross Profit (¥Billion)	85.8	109.5	23.7	+27.7%
SG&A and others (¥Billion)	35.8	66.4	30.5	+85.4%
Operating Income (¥Billion)	49.9	43.1	-6.8	-13.7%
Other Non-operating Income and Expenses (¥Billion)	0.3	-0.0	-0.3	n.a.
Equity in Earnings (Losses) of Associates (¥Billion)	0.5	-0.0	-0.5	n.a.
Income before Income Taxes (¥Billion)	50.8	43.1	-7.7	-15.2%
Net Income (¥Billion)	33.6	29.0	-4.6	-13.8%
Net Income Attributable to Owners of the Parent (¥Billion)	33.4	28.7	-4.6	-14.0%
Diluted EPS (¥) *1	5.88	5.06	-0.82	-14.0%
Number of Shares after Dilution (Million) *2	5,692	5,693	0	+0.0%

*1 Diluted EPS is calculated using the Net Income Attributable to Owners of the Parent.

*2 Number of Shares after Dilution excludes treasury stock.

FY2015-3Q Operating Expenses

	14/3Q	15/2Q	15/3Q	QoQ Change	YoY Change	Major Factors for YoY Changes (¥Billion)
Cost of Sales	21.7	43.3	86.8	+100.2%	+299.4%	Consolidation of ASKUL Corporation. Increase due to changes in the terms of agreements related to search system usage.
Total SG&A	35.8	51.8	66.4	+28.2%	+85.4%	
Personnel Expenses	11.8	15.2	16.5	+8.1%	+39.1%	Number of employees reached 8,870, up 2,020 (+29.5%)
Sales Promotion Costs	3.3	8.7	12.2	+39.7%	+262.7%	Increase of T Point expenses and application usage promotion expenses
Business Commissions	4.3	5.6	8.2	+47.3%	+92.4%	Consolidation of ASKUL Corporation
Depreciation and Amortization	3.5	5.7	7.8	+37.5%	+120.6%	Increase of consolidated subsidiaries. Increase of server and network-related cost.
Lease and Utility Expenses	2.2	2.7	3.8	+41.6%	+71.9%	
Packing and Freight	0.0	1.1	3.7	+212.8%	-	Consolidation of ASKUL Corporation
Royalties	2.9	3.1	3.1	+2.8%	+10.0%	
Advertising and Promotional Expenses	0.9	0.9	2.6	+186.3%	+172.1%	Increase due to television commercials
Content Provider Fees	2.8	1.9	1.7	-10.5%	-40.4%	Decrease due to changes in the terms of agreements related to search system usage
Communication Charges	1.3	1.5	1.6	+7.6%	+21.7%	
Others	2.2	4.9	4.6	-6.6%	+104.3%	
Total of Cost of Sales and SG&A	57.5	95.2	153.2	+61.0%	+166.2%	

FY2015-3Q Statements of Financial Position

(¥Billion)

	2015/3/31	2015/12/31	Increase/ decrease		2015/3/31	2015/12/31	Increase/ decrease
<Assets>				<Liabilities>			
Current Assets	741.8	874.1	132.3	Current Liabilities	239.7	339.1	99.3
Cash and Cash Equivalents	503.9	520.8	16.8 *1 *2 *8	Trade and Other Payables	158.9	271.6	112.6 *3
Trade and Other Receivables	217.7	312.2	94.4 *3 *4	Other Financial Liabilities/Other Current Liabilities	41.3	43.4	2.1
Other Financial Assets/Other Current Assets	20.1	41.1	20.9 *3	Income Taxes Payable	33.0	16.1	-16.9 *8
Non-current Assets	265.7	427.2	161.4	Provisions	6.3	7.8	1.4
Property and Equipment	67.4	112.8	45.3 *3 *5	Other Non-current Liabilities	27.2	62.0	34.7
Goodwill	27.6	84.3	56.6 *3	Other Financial Liabilities/Other Non-Current Liabilities	4.4	15.9	11.5 *3
Intangible Assets	32.3	103.3	70.9 *3	Provisions	22.8	24.6	1.8
Investments Accounted for Using the Equity Method	61.6	30.8	-30.7 *6	Deferred Tax Liabilities	0.0	21.4	21.4 *3
Deferred Tax Assets	15.1	17.5	2.4	Total Liabilities	267.0	401.1	134.1
Other Financial Assets/Other Non-current Assets	61.4	78.2	16.7 *7				
Total Assets	1,007.6	1,301.3	293.7	<Equity>			
				Equity Attributable to Owners of the Parent	726.0	831.9	105.9
				Common Stock	8.2	8.3	0.0
				Capital Surplus	1.2	1.2	0.0
				Retained Earnings	705.8	808.9	103.0
				Treasury Stock	-1.3	-1.3	-
				Accumulated Other Comprehensive Income	11.9	14.7	2.7
				Non-controlling Interests	14.5	68.2	53.6
				Total Equity	740.5	900.2	159.6
				Total Liabilities and Equity	1,007.6	1,301.3	293.7

Major Factors for Increase/Decrease

- *1 Increase due to net cash provided by operating activities
- *2 Decrease due to payment of dividends
- *3 Increase due to consolidation of ASKUL Corporation
- *4 Increase in the transaction value in credit card business
- *5 Increase in purchase of servers and others
- *6 Decrease due to consolidation of ASKUL Corporation
- *7 Increase due to the purchases of investment securities and increase in fair value
- *8 Decrease due to payment of income taxes and others

FY2015-3Q Statements of Cash Flows

Major Items	15/3Q	(¥Billion)
<u>Operating Activities</u>	<u>14.5</u>	
Income before Income Taxes	43.1	
Depreciation and Amortization	8.7	
Increase/Decrease in Trade and Other Receivables/Payables	-4.2	
Increase/Decrease in Other Current Liabilities	-3.4	
Increase/Decrease in Other Financial Assets and Liabilities	3.5	
Increase/Decrease in Accrued Consumption Tax and Others	1.4	
Income Taxes Paid	-32.3	
<u>Investing Activities</u>	<u>-15.0</u>	
Expenditures on Property and Equipment	-10.3	
Expenditures on Intangible Assets	-2.1	
Expenditures on Investment Securities	-4.3	
<u>Financing Activities</u>	<u>-0.6</u>	
<u>Net Change in Cash and Cash Equivalents</u>	<u>-1.0</u>	

Business Segment Breakdown

Marketing Solutions Business

- **Advertising:** Paid search advertising “Sponsored Search”
Display advertising (“Yahoo! Display Ad Network (YDN)”, “Premium Advertising”)
- **Business Services:** CRM-related services, Recruiting-related services and others
- **Personal Services:** Video-related services, Pay digital content and others

Consumer Business

- **Advertising:** Display advertising
- **Business Services:** ASKUL, Affiliate-related services, Corporate system-use fees of YAHUOKU!, Yahoo! Real Estate, Travel-related services, Automobile-related services, Yahoo! BB incentive fees and others
- **Personal Services:** Yahoo! Premium, LOHACO, Personal system-use fees of YAHUOKU!, Game-related services, Yahoo! BB ISP fees and others

Others

- **Advertising:** Display advertising
- **Business Services:** Data center-related services, Credit card-related services, Payment-related services, Yahoo! WebHosting and others
- **Personal Services:** FX-related service, Credit card-related service, Payment-related services and others

Note: Major movement between segments in the third quarter of the fiscal year ending March 2016

- ValueCommerce Co., Ltd., a consolidated subsidiary was moved from Marketing Solutions Business to Consumer Business.

Advertising Products

Advertising Products			Main Format	Fee Calculation	Placement Pages	Main Advertiser Base	
Paid search advertising	Sponsored Search®		Text	Per-click rate (Performance-based) *1	Search results pages	Major corporations	
Display advertising	YDN and others	Yahoo! Display Ad Network (YDN) *3	Text / Banner		Per-impression page view rate (Performance-based) *1	Top page	Small and medium-sized companies
		Yahoo! Premium DSP	Banner	Interior pages of service sites			Major corporations
	Premium Advertising	Brand Panel Prime Display and others	Rich ad (Including video) / Banner		Per-impression page view rate (Guarantee-based) *2	Yahoo! Shopping	Stores in Yahoo! Shopping
		Banner / Text ads and others	Text / Banner		Per-guaranteed period rate, etc (Guarantee-based) *2		
		PR Option		Conversion-based			

*1 Advertising that is programmatically or manually managed on a real-time basis to optimize advertisements effects.

*2 Advertising for which specific placement is reserved in advance.

*3 Including In-feed Advertising on timeline-view pages.

Revenue Trends by Advertising Products

Indicator	Unit	14/3Q (Oct.-Dec.)	14/4Q (Jan.-Mar.)	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)
Total advertising revenue	Billion yen	62.1	69.3	63.3	65.7	66.0
YoY Change	%	+5.4%	+8.4%	+9.5%	+8.6%	+6.3%
Paid search advertising revenue	Billion yen	37.2	39.7	36.2	36.1	33.4
YoY Change	%	-2.1%	+0.6%	-1.8%	-5.4%	-10.4%
Display advertising revenue	Billion yen	24.8	29.6	27.1	29.6	32.6
YoY Change	%	+19.2%	+21.0%	+29.5%	+32.8%	+31.4%
YDN and others revenue *1	Billion yen	14.7	18.1	18.4	21.5	22.4
YoY Change	%	+58.3%	+65.9%	+60.8%	+64.5%	+52.2%
Premium advertising revenue *2	Billion yen	10.1	11.4	8.7	8.0	10.2
YoY Change	%	-12.4%	-15.4%	-8.3%	-12.5%	+1.1%

*1 Yahoo! Premium DSP is included.

*2 Video advertising is included.

Quarterly Business Data (1)

Indicator (Quarterly average)	Unit	14/3Q (Oct.-Dec.)	14/4Q (Jan.-Mar.)	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)	YoY Change
Number of total monthly page views	Million	60,561	61,969	64,990	68,102	63,147	+4.3%
Number of total monthly smartphone page views *1	Million	27,320	29,454	31,930	34,476	32,584	+19.3%
Number of Daily UBs (Unique Browsers) *2	Million	76.01	79.79	82.82	85.09	83.19	+9.4%
Number of smartphone Daily UBs *1 *2	Million	42.43	45.92	49.23	51.61	50.61	+19.3%
Number of monthly active user IDs *3	Million	28.89	29.53	30.07	30.94	31.91	+10.5%
Number of monthly paid-membership IDs (quarter-end) *4	Million	15.07	15.46	15.54	15.99	16.34	+8.4%

*1 Monthly “Smartphone” page views and Daily UBs include access through iPhones/iPods, Android smartphones (with screen sizes of less than 7 inches), Windows Phones and smartphone applications. They do not include page views using iPads or Android tablets. They also do not include some access via smartphone applications.

*2 The cumulative total number of browsers accessing Yahoo! JAPAN. Access via browser and access via application are counted separately, even if there is an overlap in users.

*3 Number of Yahoo! JAPAN IDs logged in each month.

4 Total of membership IDs of Yahoo! Premium members, Yahoo! BB subscribers, monthly paid-subscribers of digital content and services provided by Yahoo! JAPAN and partner sites (*IDs with payment through Yahoo! Wallet only). Paid-membership IDs are counted separately for each service, even if there is an overlap in IDs.

Quarterly Business Data (2)

Indicator (Quarterly total)	Unit	14/3Q (Oct.-Dec.)	14/4Q (Jan.-Mar.)	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)	YoY Change
Auction-related transaction value *1	Billion yen	221.7	209.0	208.8	203.2	233.6	+5.4%
Shopping-related transaction value *2	Billion yen	102.8	96.1	102.2	113.9	145.3	+41.4.%
ASKUL Corporation's BtoB-related revenue (transaction value) via Internet *3	Billion yen	-	-	-	16.3	50.1	n.a.
Total domestic e-commerce transaction value *4	Billion yen	324.5	305.1	311.0	333.5	429.1	+32.2%
Total domestic e-commerce transaction value via smartphon *5	Billion yen	114.7	110.8	117.0	125.3	165.2	+44.0%
Number of YAHUOKU! store IDs (quarter-end) *6	IDs	19,533	19,951	20,255	20,537	20,774	+6.4%
Number of Yahoo! Shopping store IDs (quarter-end) *6	IDs	243,896	282,537	317,778	346,888	374,812	+53.7%

*1 Includes transaction value of YAHUOKU!, tradecarview (<http://www.tradecarview.com/>), BOOKOFF Online (<http://www.bookoffonline.co.jp/>), and Yahoo! Ticket from April 2015.

*2 Includes transaction value of Yahoo! Shopping, Yahoo! Travel, pay digital content, LOHACO, Yahoo! Restaurant Reservation and others. LOHACO's transaction value is the revenue of LOHACO business, operated by ASKUL, from Mar. 21 to Jun. 20, Jun. 21 to Sep. 20, Sep. 21 to Dec. 20, and Dec. 21 to Mar. 20.

*3 Includes ASKUL's non-consolidated BtoB-related revenue (transaction value) via Internet from Aug. 21 to Dec. 20, 2015.

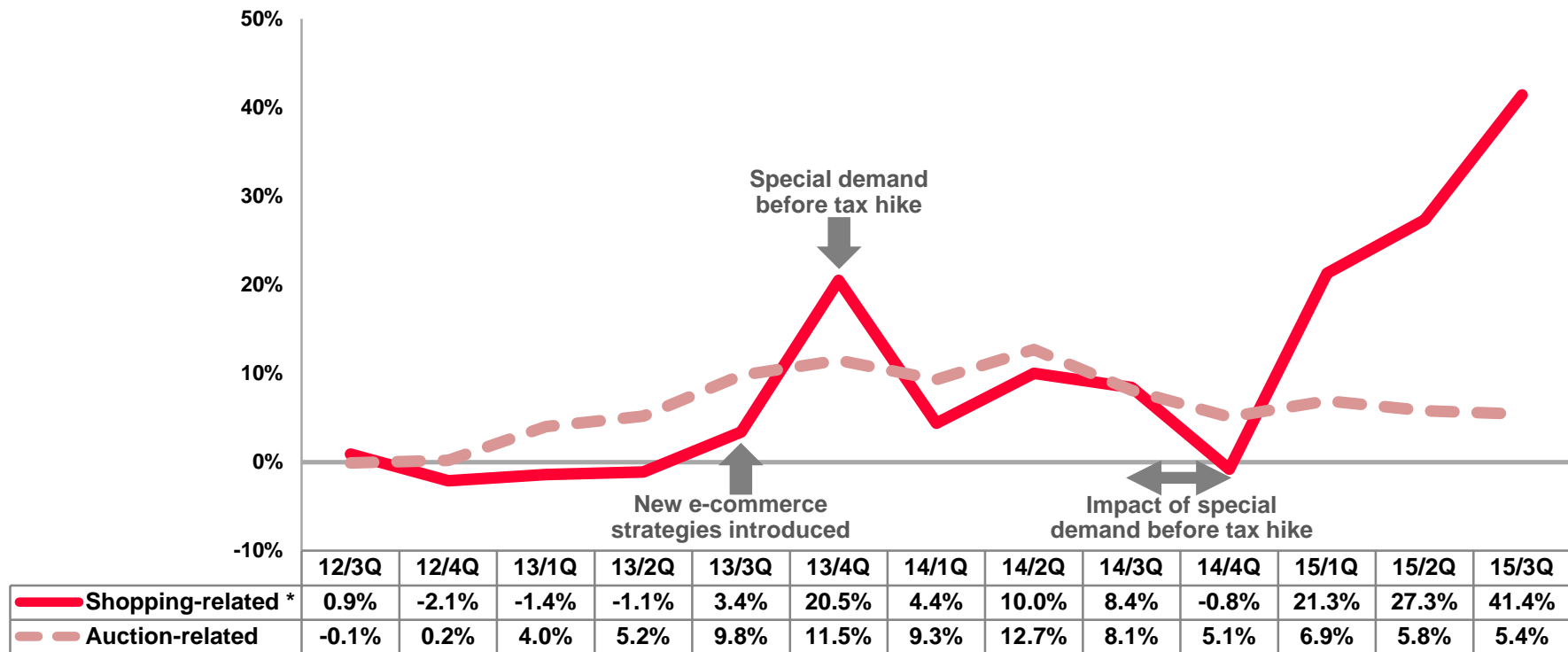
*4 Includes auction-related, shopping-related transaction value and ASKUL's non-consolidated BtoB-related revenue (transaction value) via Internet from Aug. 21 to Dec. 20, 2015.

*5 Includes auction-related and shopping-related transaction value.

*6 Numbers of YAHUOKU! and Yahoo! Shopping stores are based on accounts issued. They include the number of accounts still preparing to launch store sites.

Note: As a result of adopting a more accurate calculation method, prior figures have been retroactively adjusted.

Quarterly Transaction Value of Shopping-related and Auction-related business YoY Growth Trend

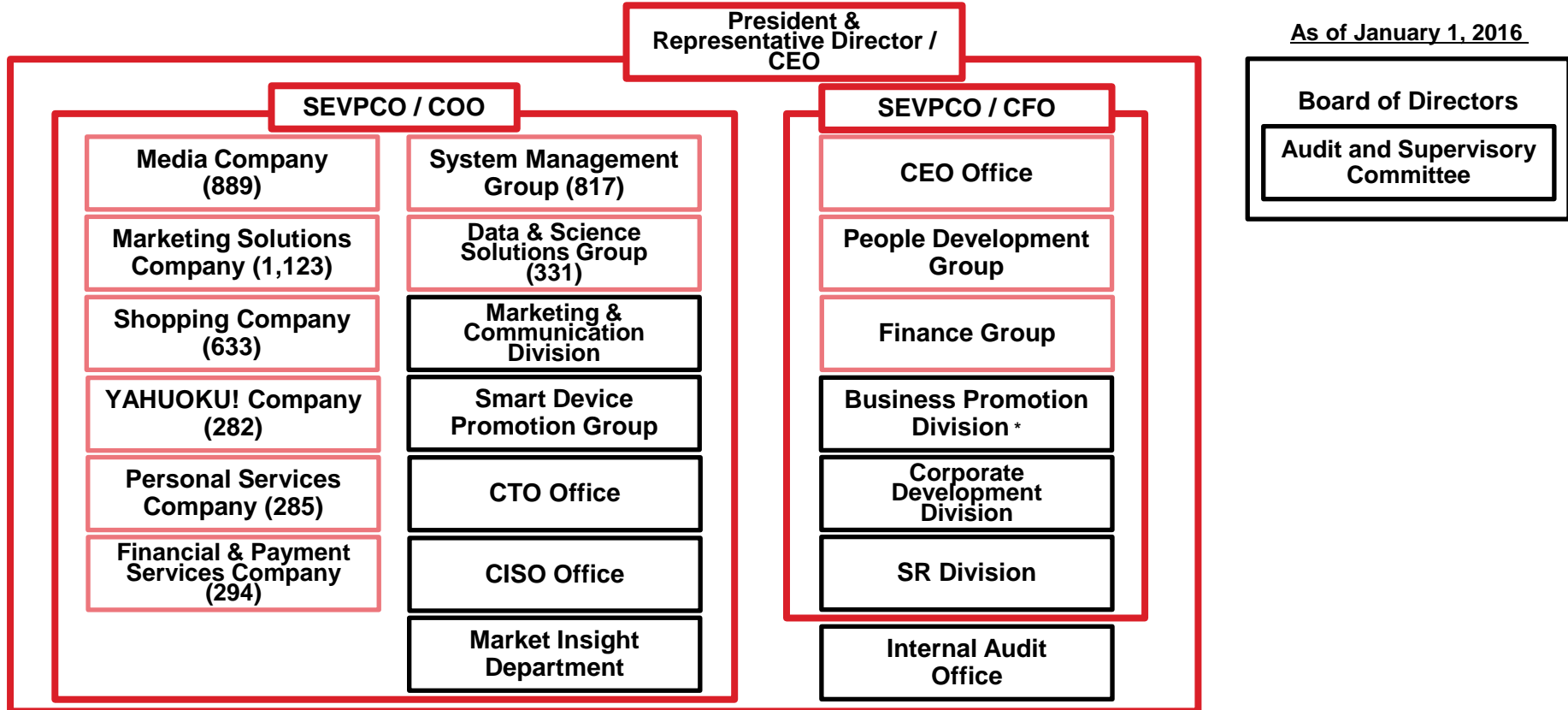


Note: Each quarterly growth rate is calculated based on the same definition.

* Shopping-related transaction value includes revenue of LOHACO, operated by ASKUL, from Mar. 21 to Jun. 20, Jun. 21 to Sep. 20, Sep. 21 to Dec. 20, and Dec. 21 to Mar. 20.

Organization Chart of Yahoo Japan Corporation

As of January 1, 2016



Note 1: Figures in parentheses are number of employees

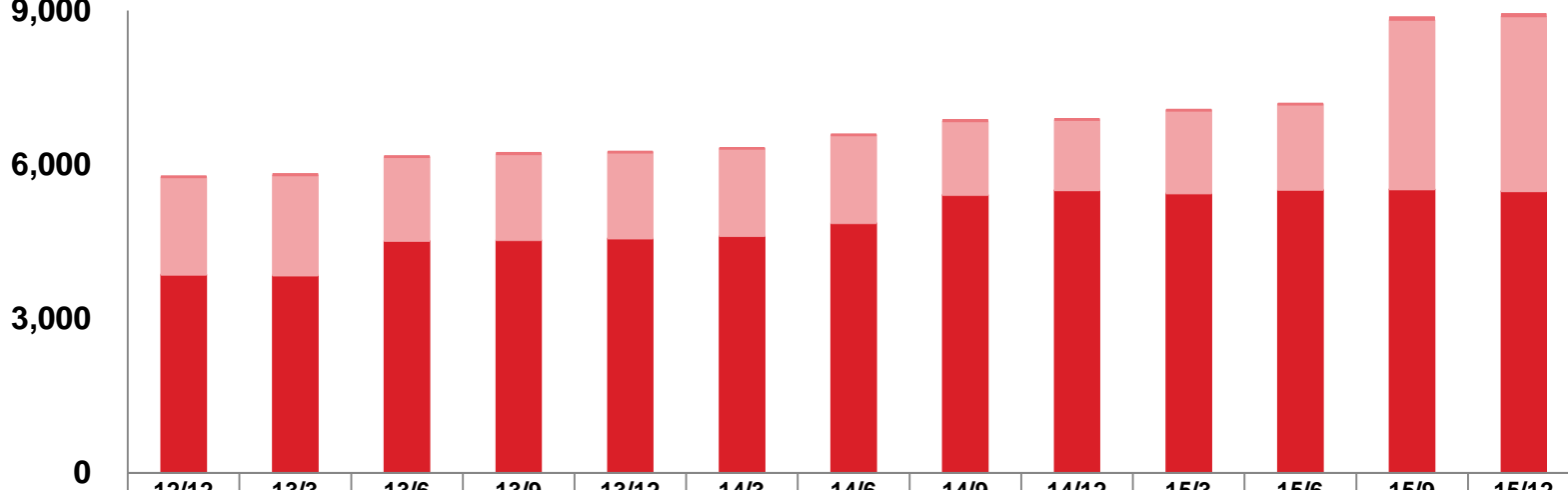
Note 2: SEVPCO = Senior Executive Vice President Corporate Officer

* Media & Marketing Solutions Business Promotion Division, Consumer Business Promotion Division, Financial & Payment Business Promotion Division, Technical Foundation Business Promotion Division

Number of Directors and Employees

(at the End of Quarter)

(Number of People) 9,000



	12/12	13/3	13/6	13/9	13/12	14/3	14/6	14/9	14/12	15/3	15/6	15/9	15/12
■ Directors and Auditors of Subsidiaries	31	35	30	33	31	30	30	38	33	33	33	61	61
■ Employees of Subsidiaries	1,885	1,938	1,620	1,660	1,658	1,684	1,695	1,421	1,352	1,595	1,642	3,285	3,390
■ Directors and Auditors of Yahoo Japan Corporation	8	8	9	9	9	9	11	11	11	11	9	9	9
■ Employees of Yahoo Japan Corporation	3,859	3,842	4,514	4,531	4,562	4,607	4,860	5,407	5,498	5,439	5,509	5,518	5,480
Total	5,783	5,823	6,173	6,233	6,260	6,330	6,596	6,877	6,894	7,078	7,193	8,873	8,940

Note: The above figures of employees include staff who have been dispatched.

Consolidated Subsidiaries and Associates

(as of December 31, 2015)

● Major consolidated subsidiaries

- ◆ ASKUL Corporation
- ◆ Dynatech inc.
- ◆ FirstServer, Inc.
- ◆ IDC Frontier Inc.
- ◆ Synergy Marketing, Inc.
- ◆ YJ Capital Inc.
- ◆ YJFX, Inc.
- ◆ Y's Sports Inc.
- ◆ Carview Corporation
- ◆ ecohai Co., Ltd.
- ◆ GYAO CORPORATION
- ◆ Netrust, Ltd
- ◆ ValueCommerce Co., Ltd.
- ◆ YJ Card Corporation
- ◆ Y's Insurance Inc.

● Major associates

- ◆ BOOKOFF CORPORATION LIMITED
- ◆ GameBank Corp.
- ◆ The Japan Net Bank, Limited
- ◆ BuzzFeed Japan Corporation
- ◆ Sony Real Estate Corporation

