



**Yahoo Japan Corporation**  
**FY2015-2Q Business Results**  
(July - September 2015)

**October 30, 2015**

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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 September 30, 2015.”

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# **FY2015-2Q**

# **Financial Highlights**

# Executive Summary for FY2015-2Q



|  |               |             |                          |
|--|---------------|-------------|--------------------------|
| Revenue  | 1,382 (¥100M) | YoY +33.9%  |                          |
| Operating income   | 1,027 (¥100M) | YoY +123.2% |                          |
| Net income attributable to owners of the parent                              | 913 (¥100M)   | YoY +202.5% |                          |
| Diluted EPS  | ¥16.05        | YoY +202.6% |                          |
| Advertising-related revenue  | 657 (¥100M)   | YoY +8.6%   | Via smartphones 41.4%    |
| Paid search advertising  | 361 (¥100M)   | YoY -5.4%   |                          |
| Display advertising  | 296 (¥100M)   | YoY +32.8%  |                          |
| Total domestic e-Commerce transaction value *1                               | 3,335 (¥100M) | YoY +18.5%  | Via smartphones *2 39.5% |
| ASKUL Corporation's BtoB-related revenue (transaction value) via Internet *3 | 163 (¥100M)   |             |                          |

Note1: As a result of the consolidation of ASKUL as a subsidiary on Aug. 27, 2015, the revenue and income of ASKUL from Aug. 28 to Sep. 30, 2015 have been consolidated.

Note2: Due to the consolidation of ASKUL, equity interest of ASKUL already held by the Company was remeasured at fair value and a gain of ¥59.6 billion was recognized in this quarter.

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

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

\*2 Proportion of transaction value via smartphones in Shopping-related business and Auction-related business

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

# Executive Summary for FY2015-2Q



## Advertising-Related Business

-YDN and others continued to be a major growth driver in overall advertising, due to the predicted steady revenue from YDN distributed as in-feed advertising which was introduced in the previous quarter; and continued impact of functional improvement conducted in FY2014-3Q. (YoY growth of YDN and others: +64.5%)

## e-Commerce Related Business

- Shopping: YOY growth rate in transaction value (\*1) saw further accelerated growth. (YoY +30.2%)
- Auction-related: transaction value increased steadily. (YoY +5.8%)

## Credit Card Business

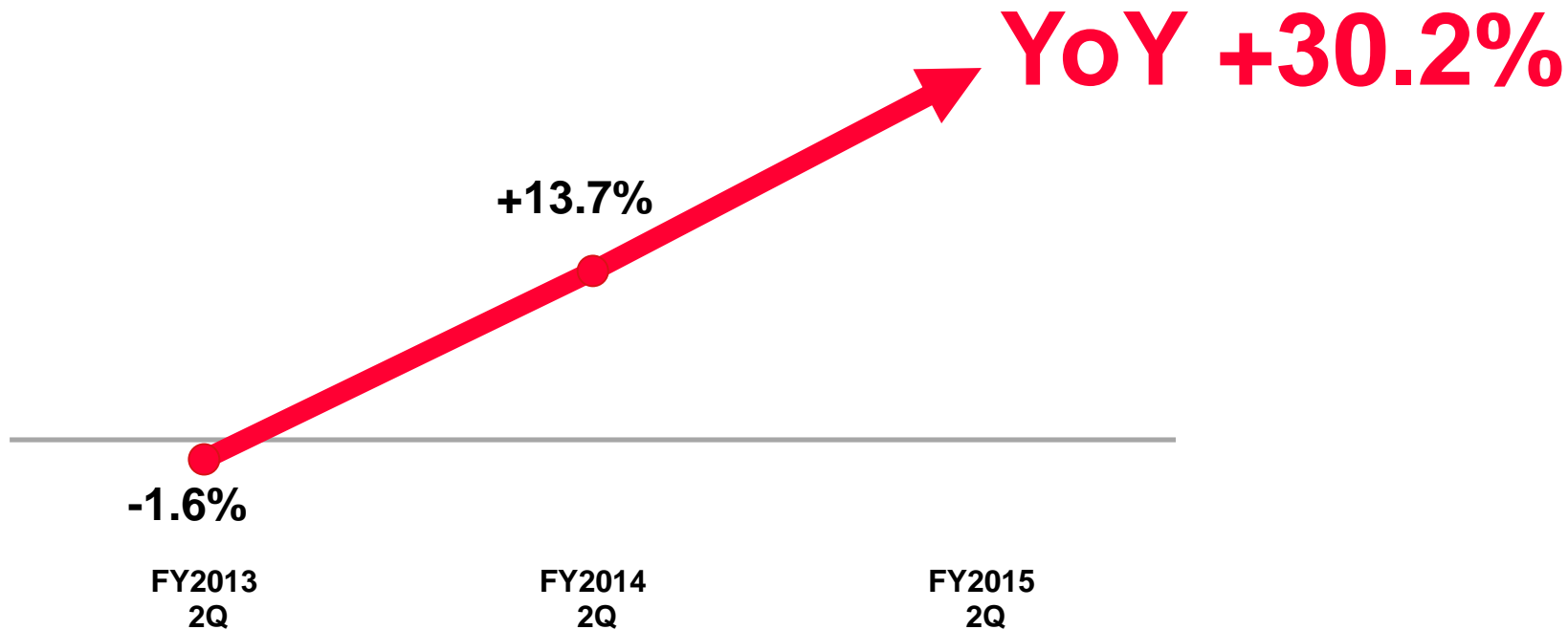
- Number of valid card holders reached 1.4 million at the end of 2Q.
- Transaction value (\*2) increased significantly (QoQ +71.0%) due to marketing efforts to acquire new card holders with emphasis on the rate of active users.

\*1 Includes transaction values of Yahoo! Shopping and LOHACO.

LOHACO's transaction value is the revenue of LOHACO business, operated by ASKUL, from Jun. 21 to Sep. 20.

\*2 Excludes transaction value of cash advance service.

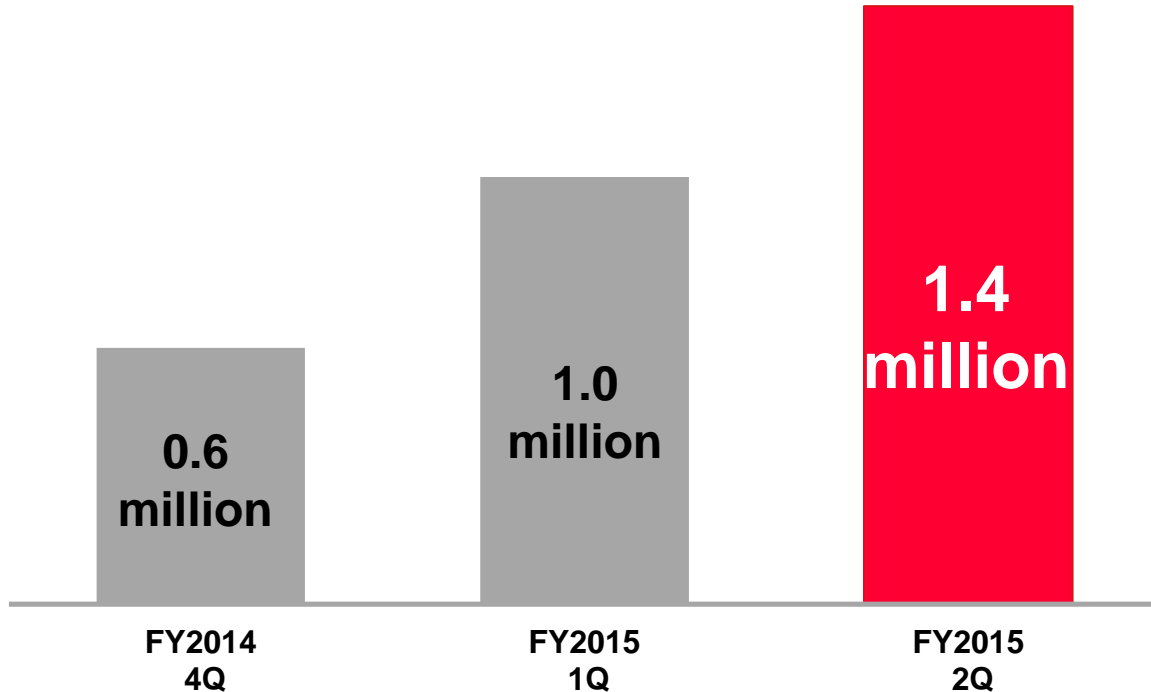
# Growth rate of transaction value in shopping business surged



Note: Transaction value of Yahoo! Shopping and LOHACO.

LOHACO's transaction value is the revenue of LOHACO business, operated by ASKUL, from Jun. 21 to Sep. 20, after 2013.

# Number of valid credit card holders already reached planned number for FY2015.

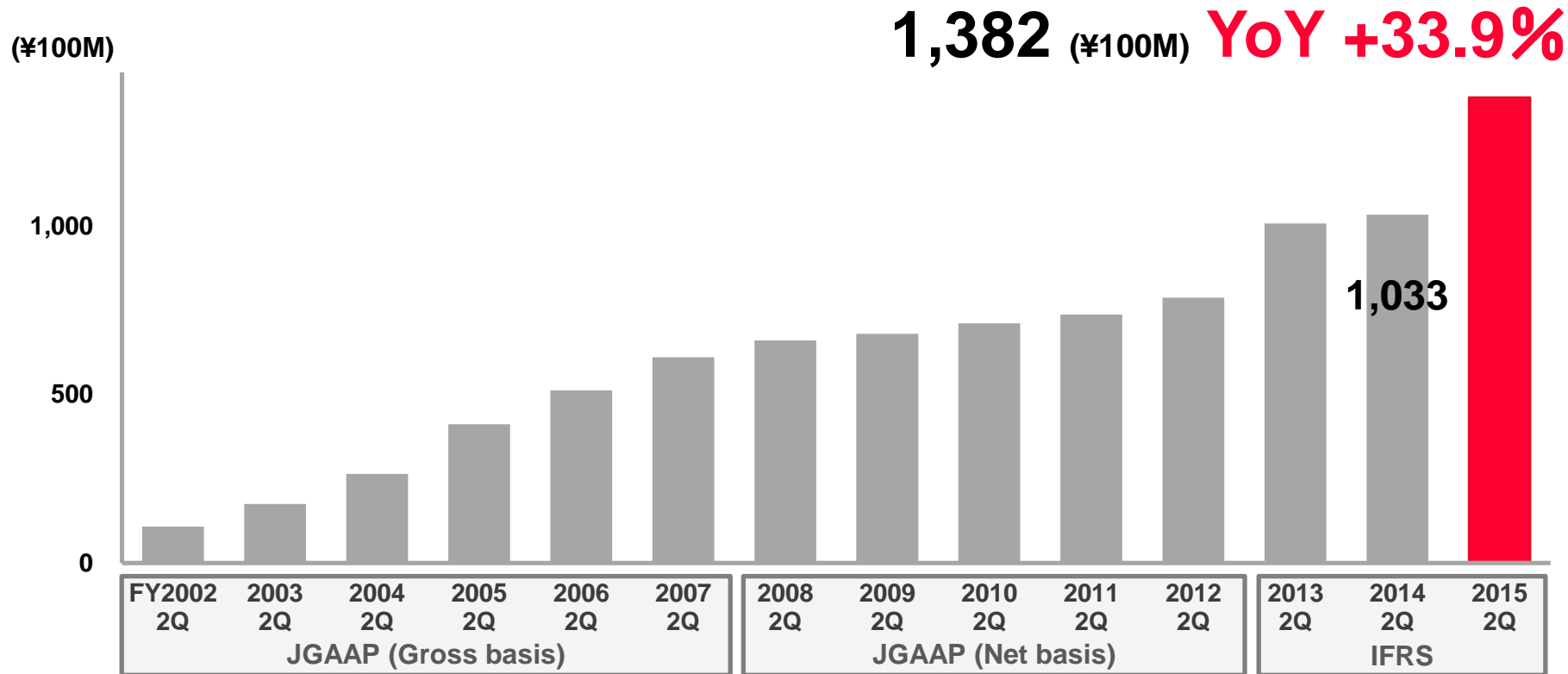


**Planned number of  
valid card holders  
at the end of FY2015  
(as of May 2015) was  
set at 1.4 - 1.6 million.**



**Core Businesses grew smoothly,  
Investment-stage Businesses  
showed a better-than-expected  
progress.**

# Revenue

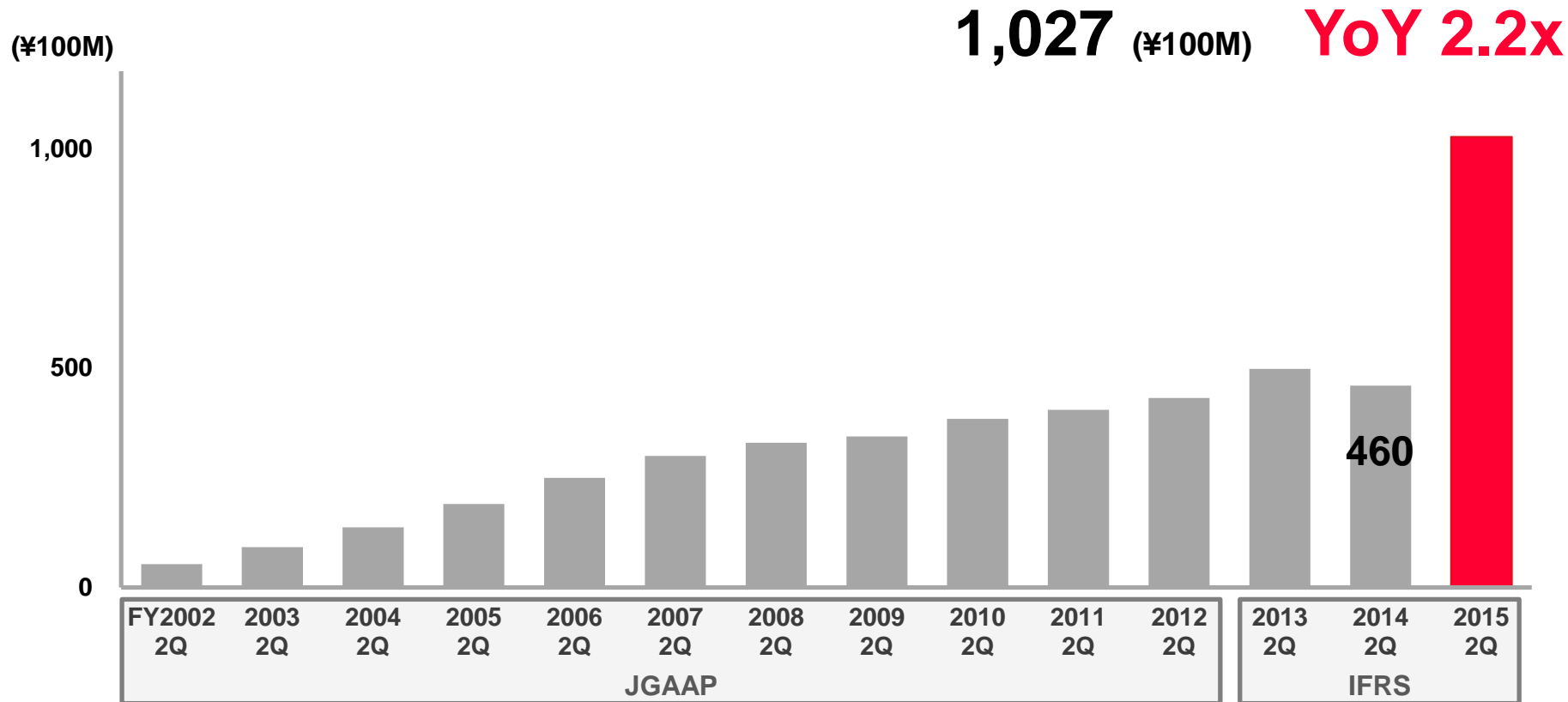


Note1: Revenue of ASKUL from Aug. 28 to Sep. 30, 2015 has been consolidated.

Note2: Between FY2008 and FY2012, we indicated revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A.

# Operating Income

Includes “Gain From Remeasurement Relating to Business Combination”



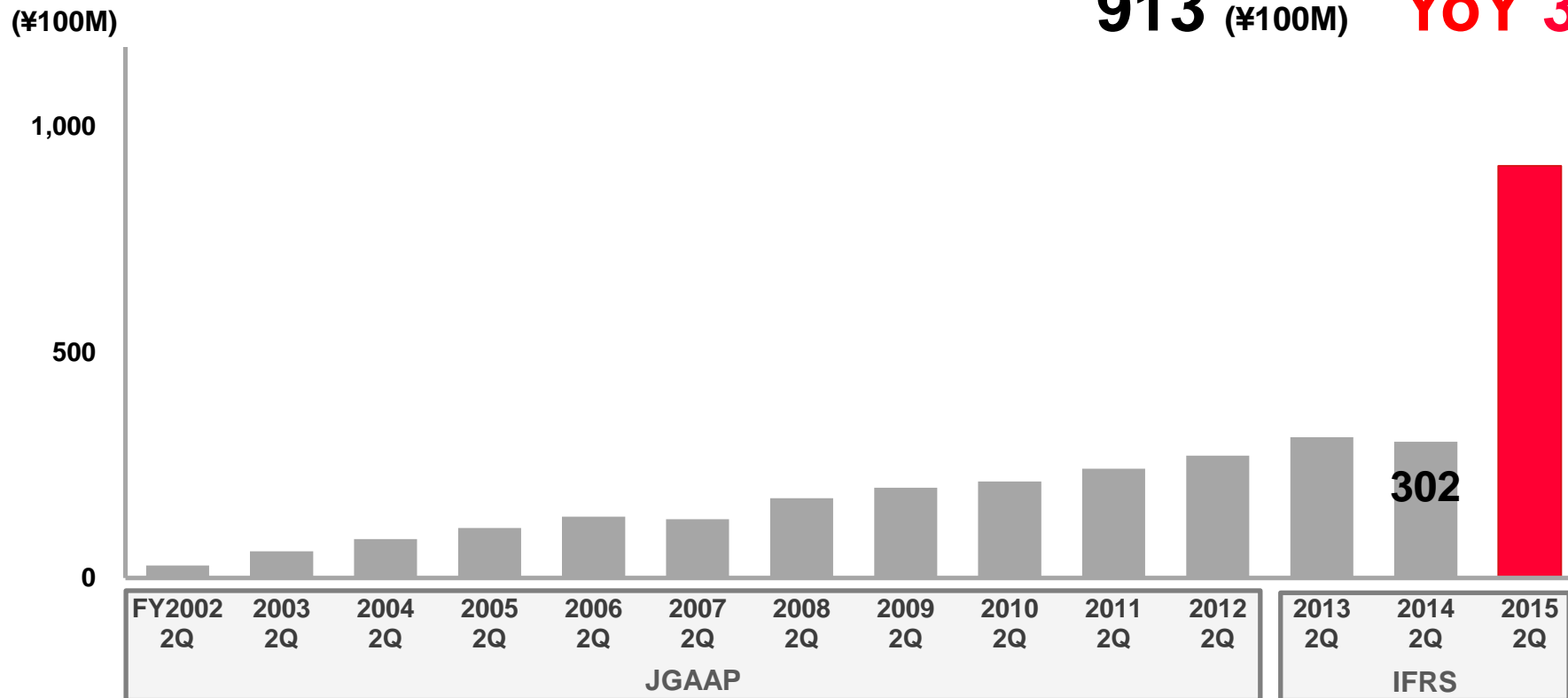
Note1: Consolidated ASKUL's income from Aug. 28 to Sep. 30, 2015.

Note2: Due to the consolidation of ASKUL, equity interest of ASKUL already held by the Company was remeasured at fair value and a gain of ¥59.6 billion was recognized in this quarter.

# Net Income Attributable to the Owners of the Parent



**913** (¥100M) **YoY 3x**

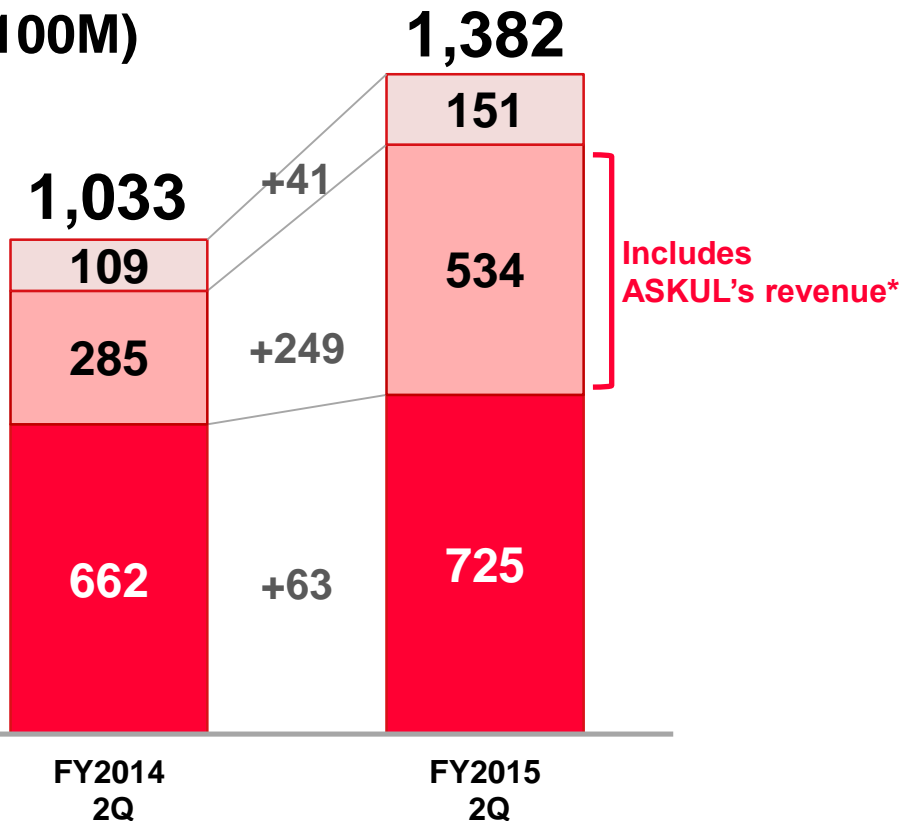


Note1: Consolidated ASKUL's income from Aug. 28 to Sep. 30, 2015.

Note2: Due to the consolidation of ASKUL, equity interest of ASKUL already held by the Company was remeasured at fair value and a gain of ¥59.6 billion was recognized in this quarter.

# Quarterly Revenue Breakdown

(¥100M)



## Marketing Solutions Business

**YoY +9.5%**  
Display advertising revenue grew.

## Consumer Business \*

**YoY +87.6%**  
Consolidation of ASKUL Corporation

## Other Businesses

**YoY +37.9%**  
Consolidation of YJ Card Corporation

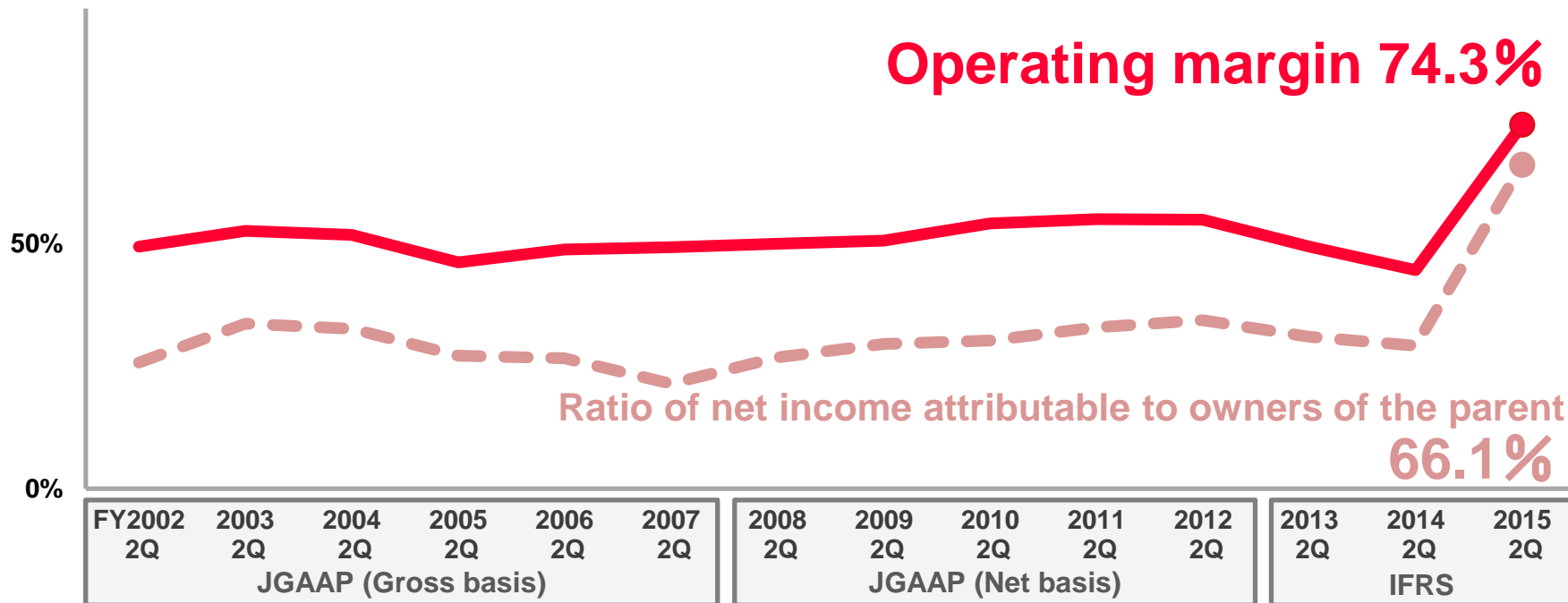
Note1: Figures for Adjustments are not shown.

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 ¥24.7 billion (revenue after the elimination of internal transactions within ASKUL group) from Aug. 28 to Sep. 30, 2015.

# Quarterly Margin

Margin rose temporarily due to gain from remeasurement relating to business combination from ASKUL's consolidation.



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**

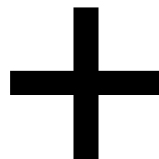
# Past and Coming Three Years

The past 3 years

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

The coming 3 years

**Expanding smartphone  
usage via applications**



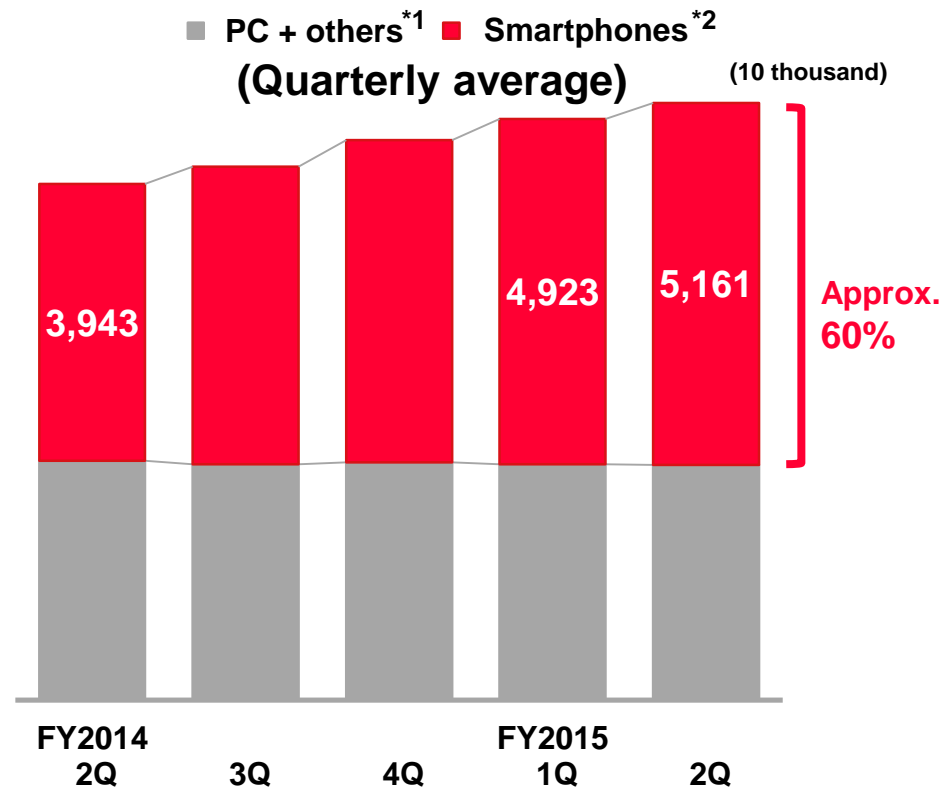
**Expanding total domestic  
e-commerce transaction  
value**



# Daily Unique Browsers

Smartphone DUB is  
continuously  
increasing

YoY +30.9%  
QoQ +4.8%

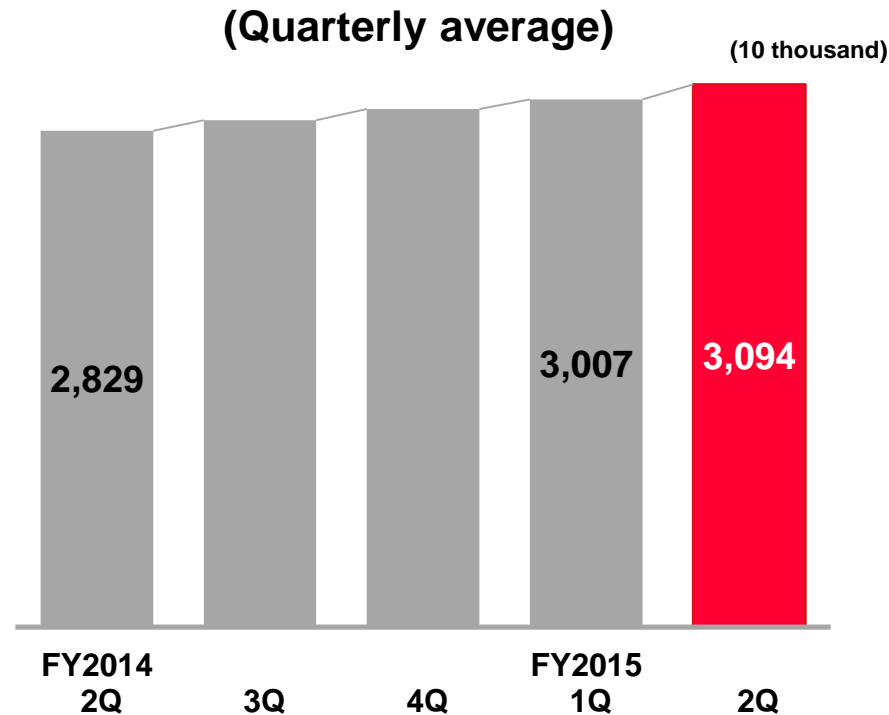


\*1 Includes PCs, tablets and feature phones.

\*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

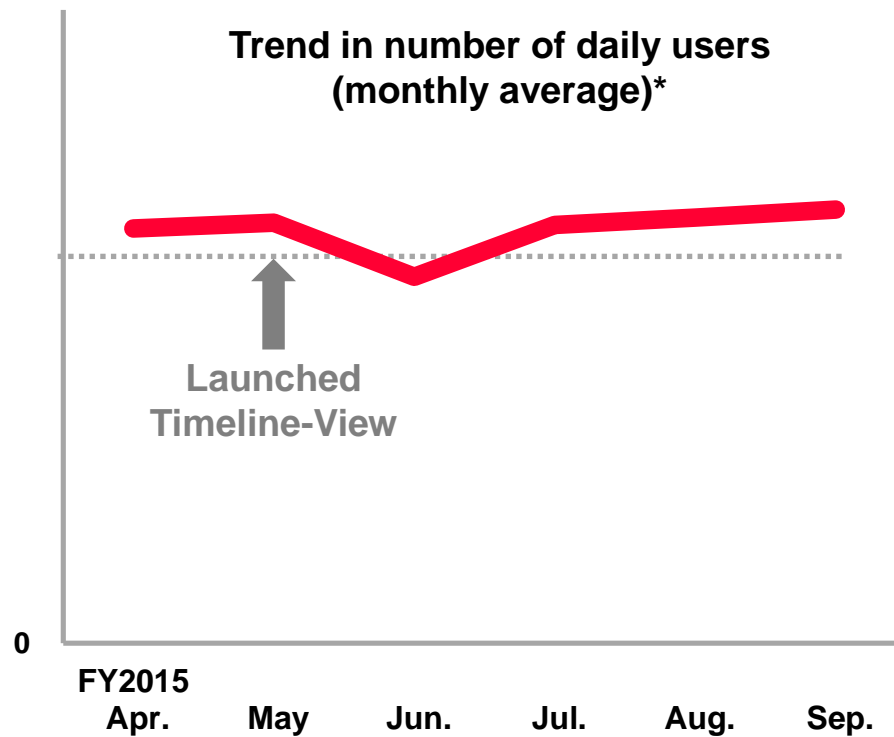
Continuously  
increasing after  
achieving  
30 million IDs in 1Q



# Trend After Launching Yahoo! JAPAN Startup Page for Smartphones in Timeline-View



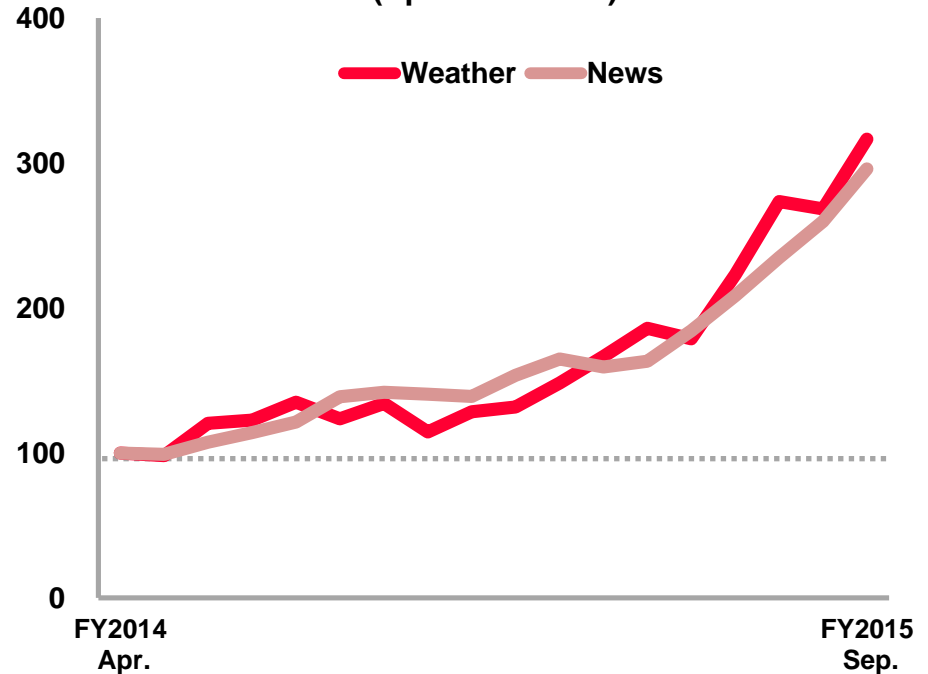
In FY2015-2Q, number of users exceeded the level before the conversion to timeline-view



# Usage Trend of Focused Smartphone Applications **YAHOO!** JAPAN

**Continued growth  
resulting from  
multiple effects,  
e.g. functional  
improvement,  
sales promotion, etc.**

Growth in number of application users \*  
– April 2014 as the starting point  
(April 2014=100)

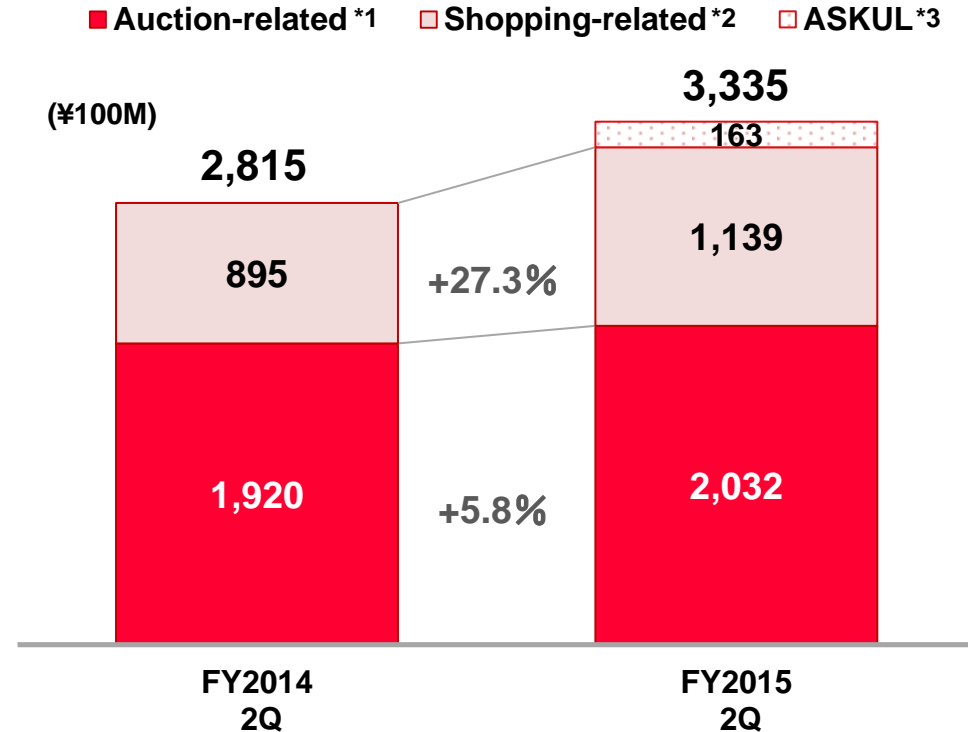


# Total Domestic e-Commerce Transaction Value

**-Growth of shopping-related transaction value accelerated even further**

**-Auction-related transaction value also increased steadily**

**YoY +18.5%**



\*1 Includes transaction value of YAHUOKU! and 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.

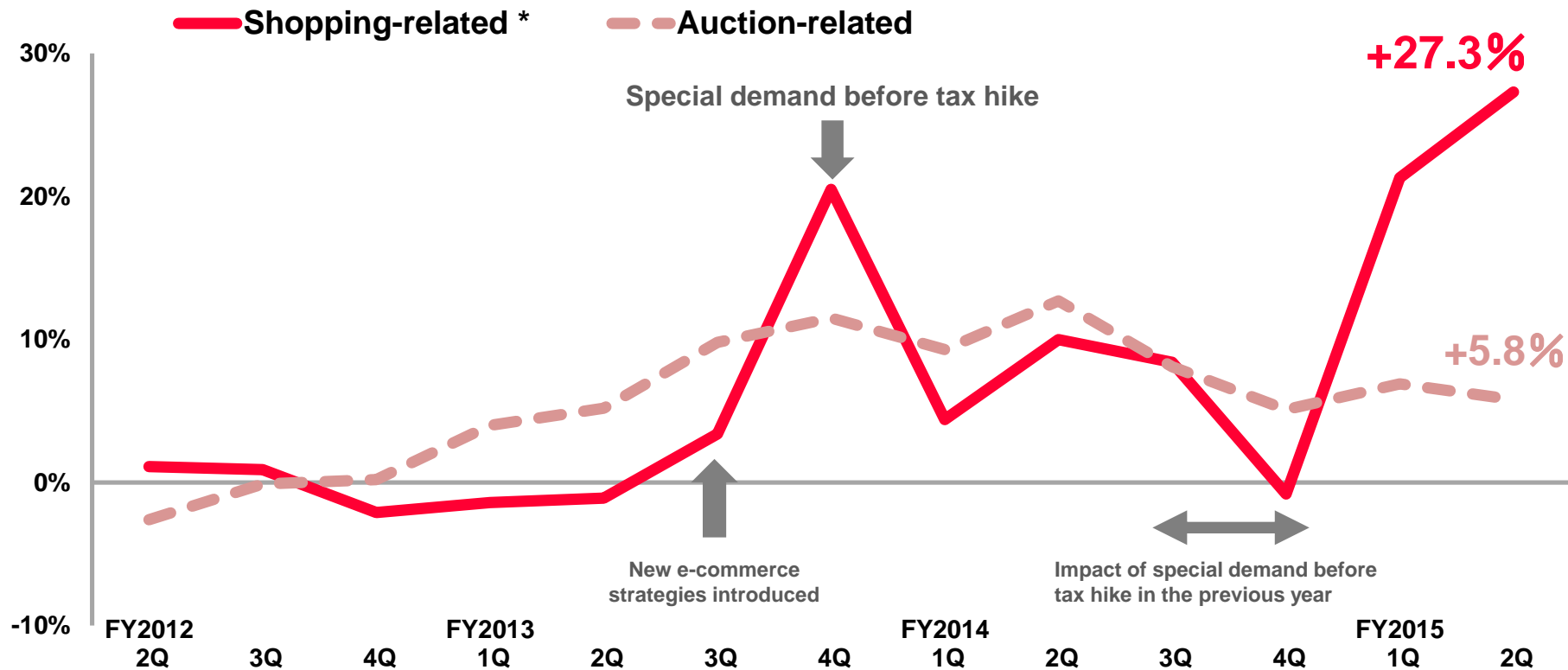
\*2 Includes transaction value of Yahoo! Shopping, Yahoo! Travel, paid digital content, LOHACO, Yahoo! Restaurant Reservation and others.

LOHACO's transaction value is the revenue of LOHACO business, operated by ASKUL, from Jun. 21 to Sep. 20.

The prior data and comparative figures have been retroactively adjusted.

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

# 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.

# Our Primary Revenue Sources

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## Core businesses

**Advertising**

**Auctions**

**Membership services**

## Investment-stage businesses

**Shopping**

**Credit card**

# Core Businesses

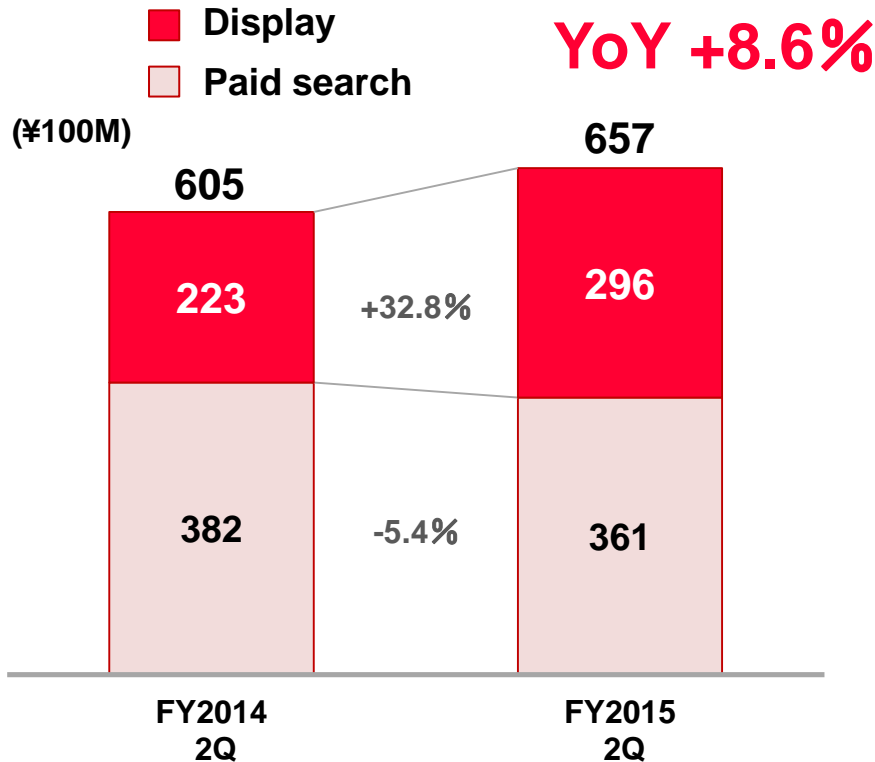
**Advertising**

Auctions

Membership Services



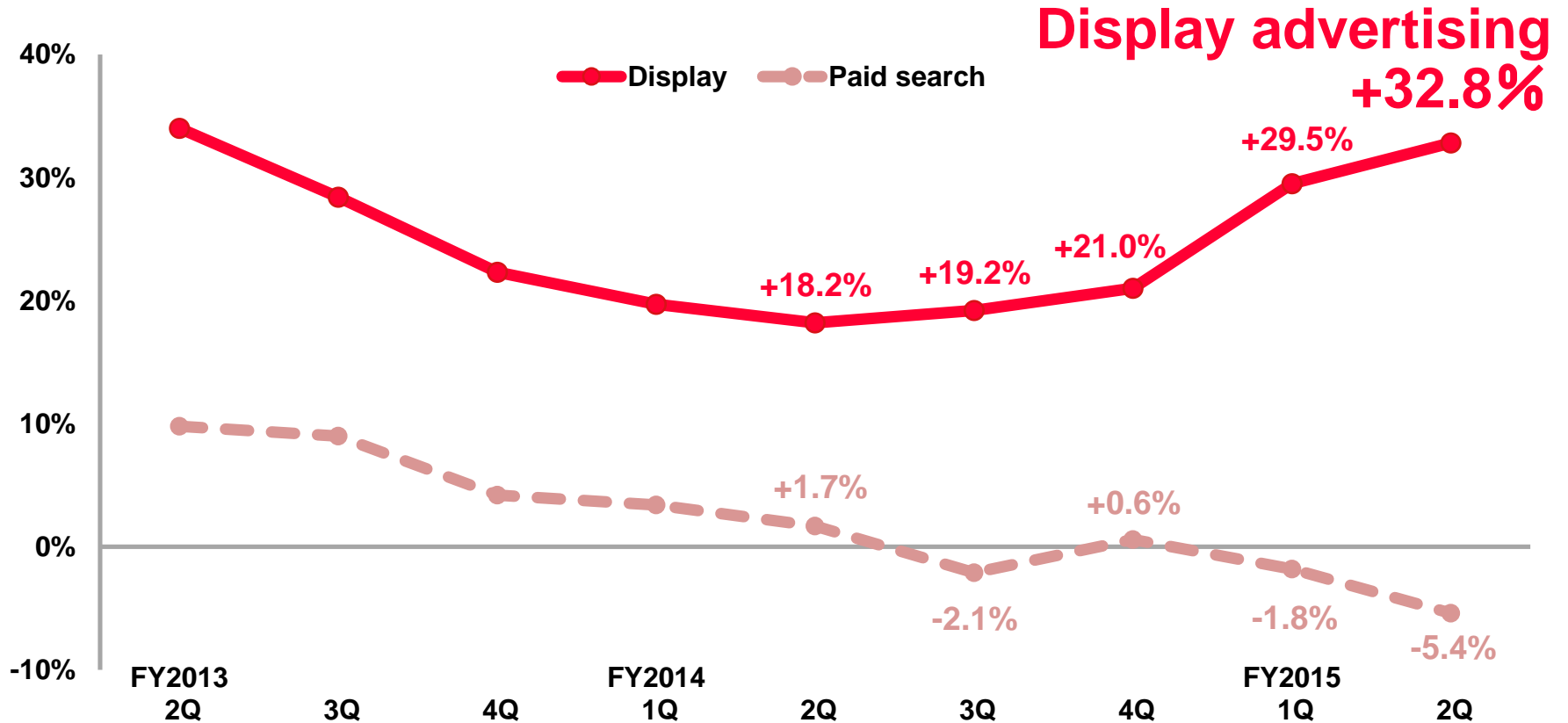
# Quarterly Advertising-Related Revenue



**Growth in  
display advertising**

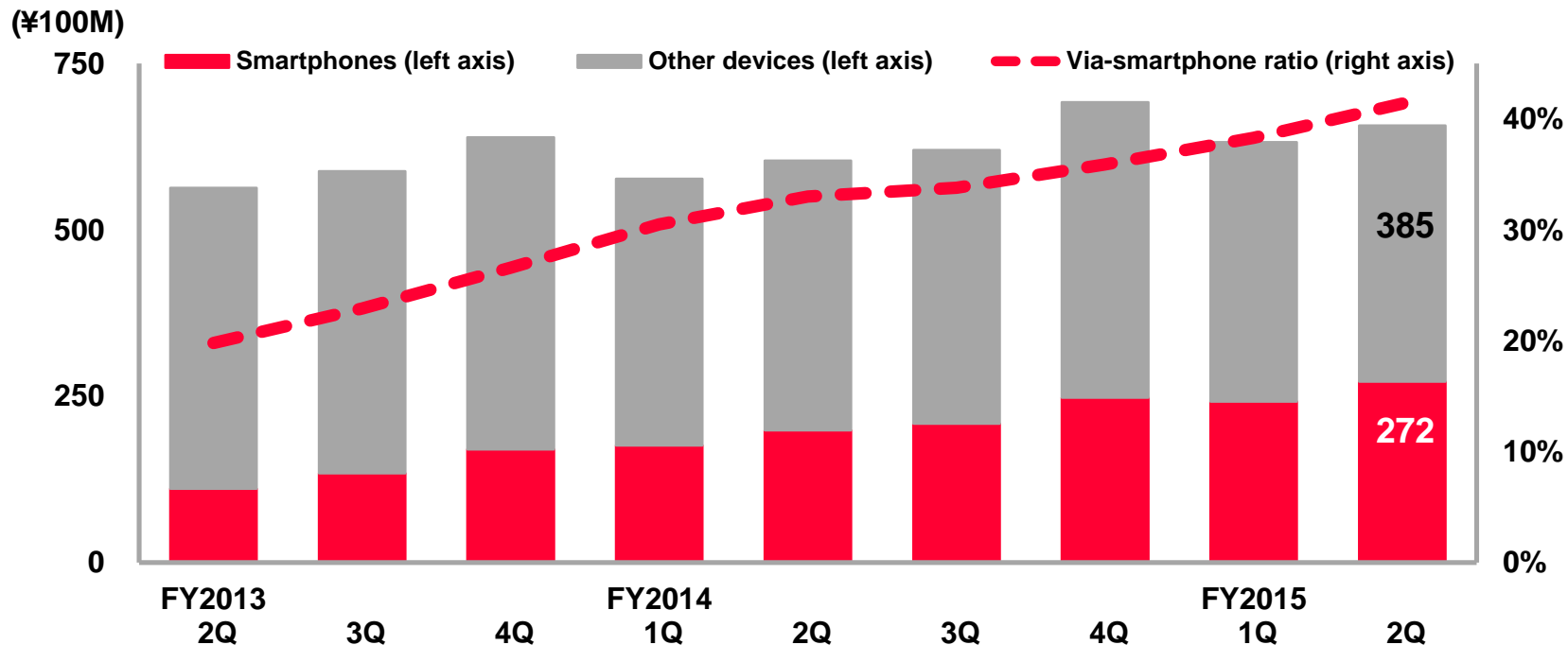
**YDN continues to be  
a major growth driver.**

# Quarterly Advertising-Related Revenue YoY Growth Trend



# Quarterly Advertising-Related Revenue via Smartphones

- Smartphone advertising revenue ratio expanded to 41.4%.
- Smartphone advertising revenue: ¥27.2 billion (YoY +36.3%)



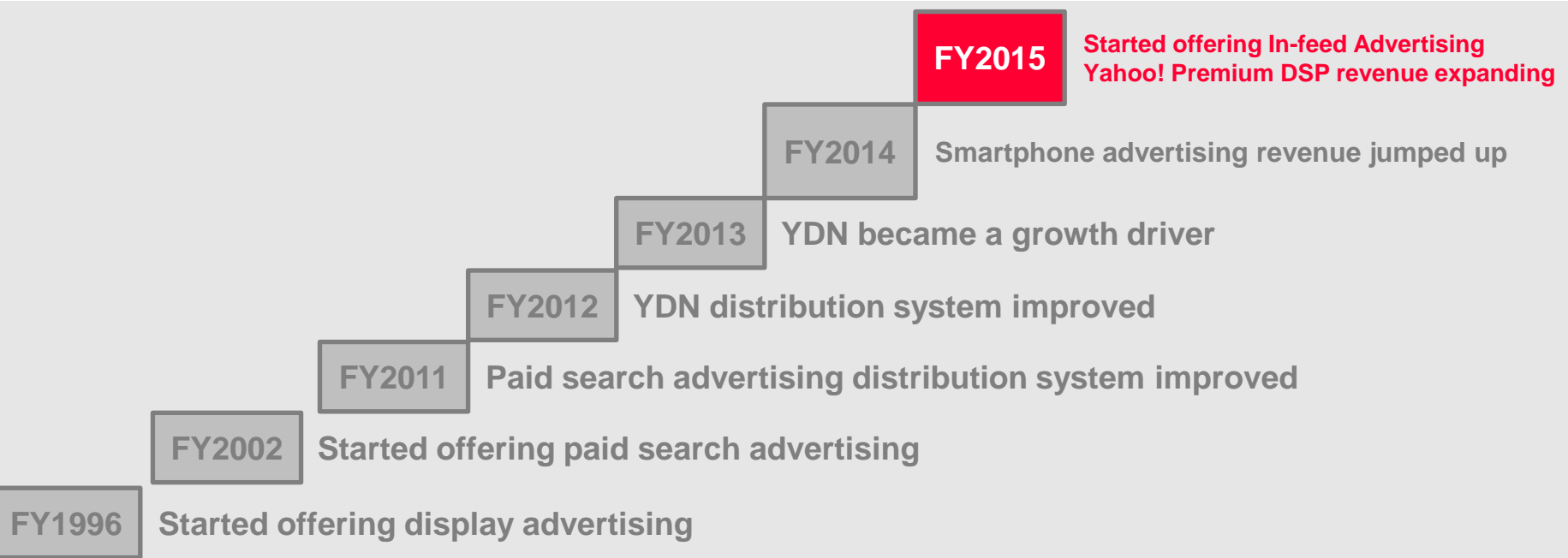
# History of Yahoo! JAPAN's Advertising Business



Have been offering new advertising products continuously

Structural change

Changes in device mix and product mix



# Core Businesses

Advertising

**Auctions**

Membership Services

# Auction-Related Transaction Value

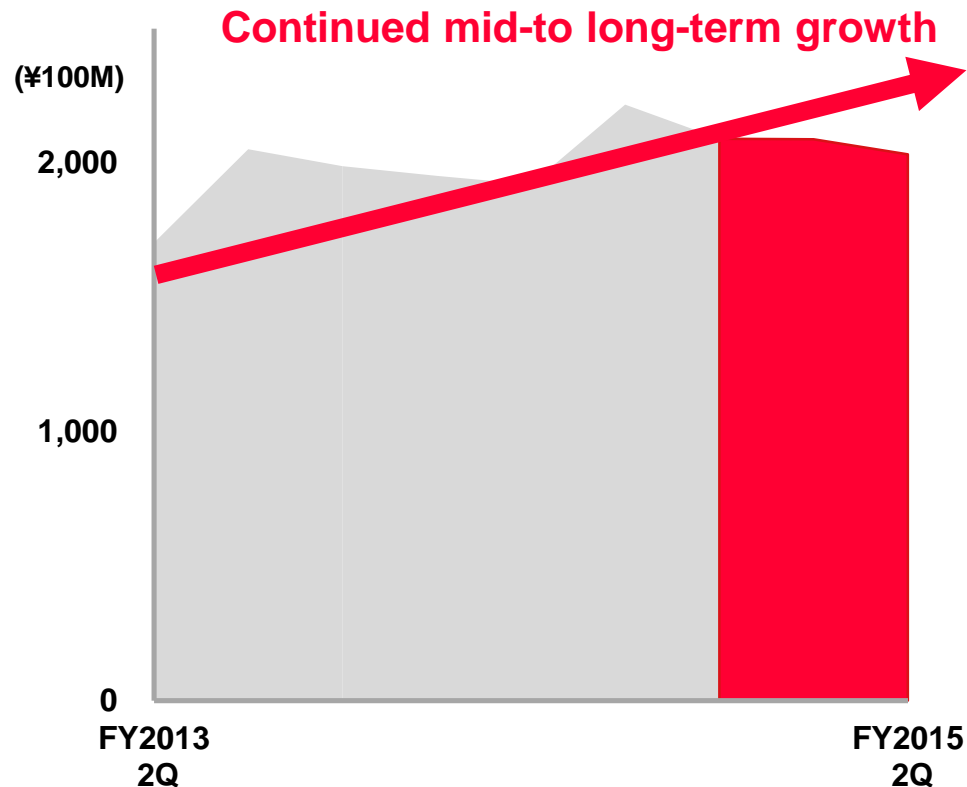
Areas to focus on  
in the second half of FY2015

Expand  
smartphone  
usage via  
applications



Enhance both  
transaction  
value and  
revenue

Increase  
transactions of  
cars and  
real estate



Note: Includes transaction value of YAHUOKU! and 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.

# Core Businesses

Advertising

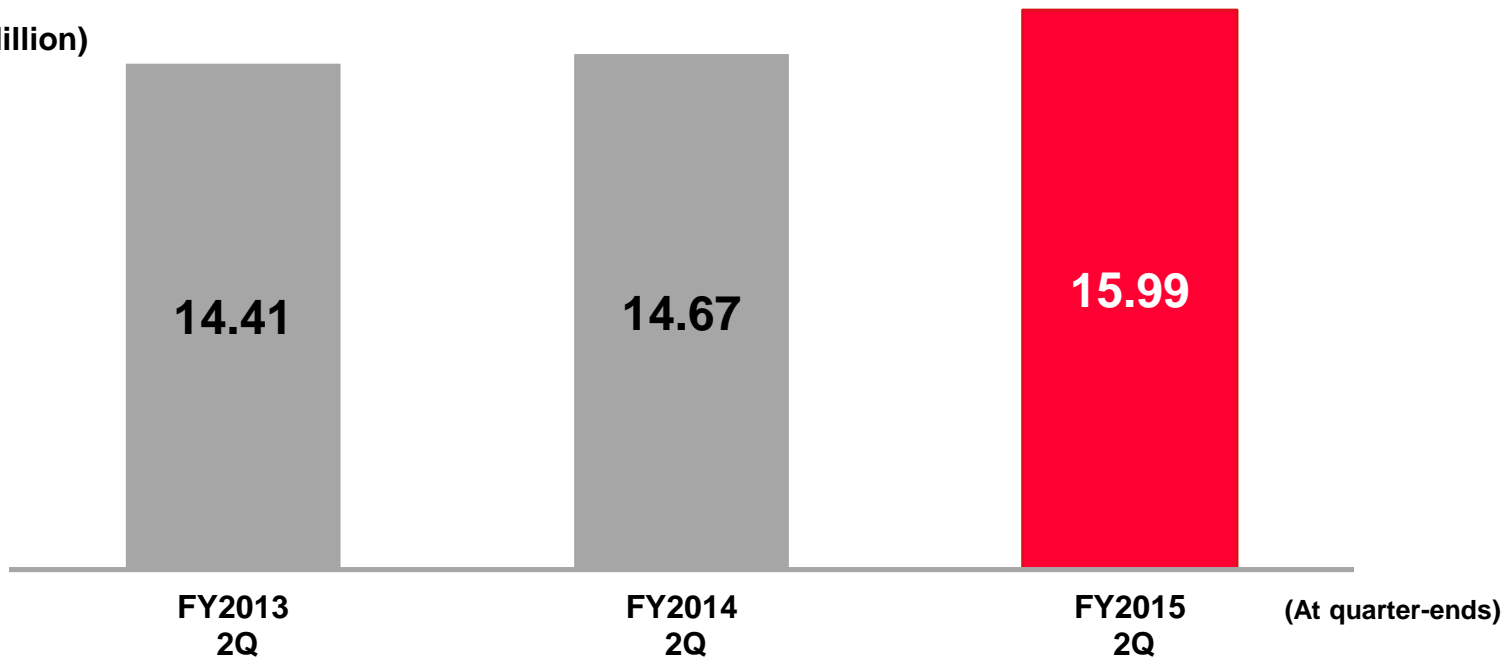
Auctions

**Membership Services**

# Number of Monthly Paid-Membership IDs

Monthly paid-membership IDs including Yahoo! Premium members was **15.99 million IDs**.

(Million)



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.



# Investment-Stage Businesses

**Shopping**  
Credit Card

# Key Indicators at End of September 2015

## Number of store IDs \*1

190<sub>thousand</sub> → 340<sub>thousand</sub>

Monthly YoY  
**+80%**

## Number of items listed

120<sub>million</sub> → 180<sub>million</sub>

Monthly YoY  
**+49%**

## Number of buyers \*2

Quarterly YoY **grew by double digit**

Examples of openings of  
new stores in the first half  
of FY2015

Culture Convenience Club Co.,Ltd.  
FUTAKOTAMAGAWA TSUTAYA  
ELECTRICS

Sony Corporation

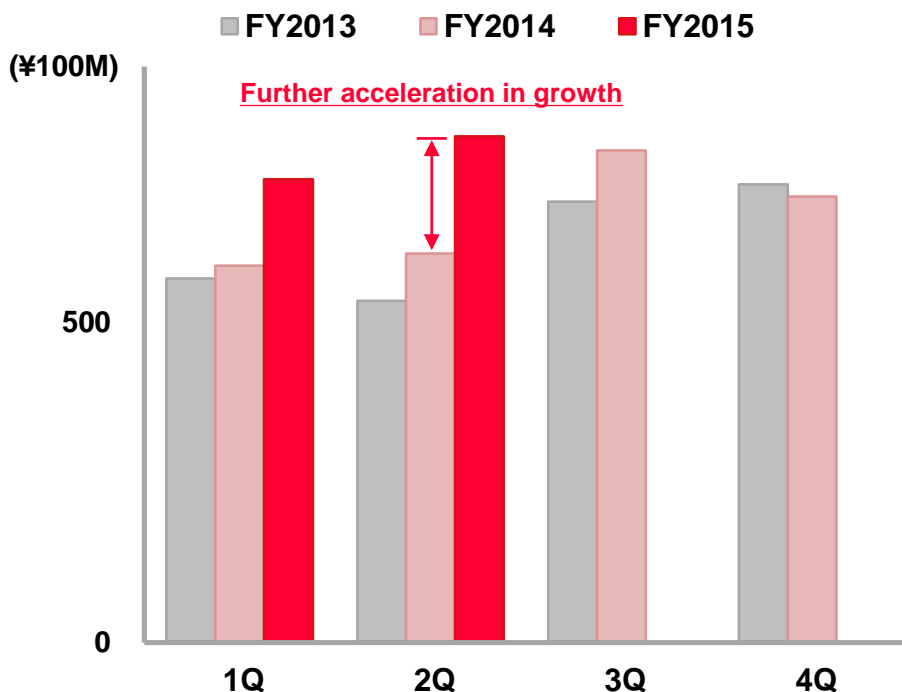
Daimaru Matsuzakaya Department  
Stores Co.Ltd.

\*1 Number of corporate and individual accounts issued. Includes number of accounts still in preparation for the opening of store sites after acquiring credit approval.

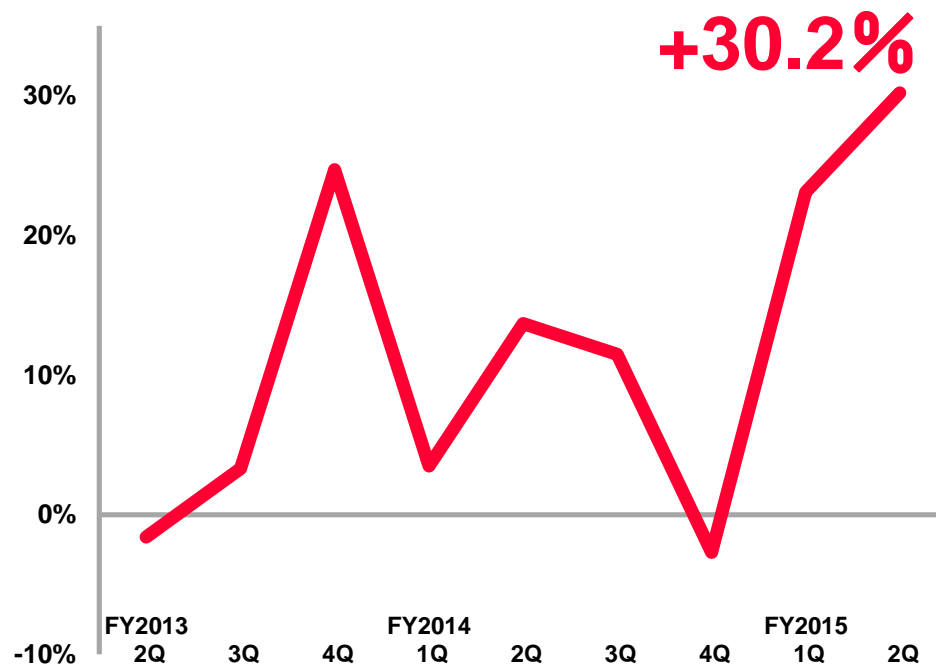
\*2 Number of unique buyers (identified by email addresses) between Jul. – Sep.

# Shopping Transaction Value (Yahoo! Shopping + LOHACO)

## Quarterly transaction value



## Quarterly YoY changes

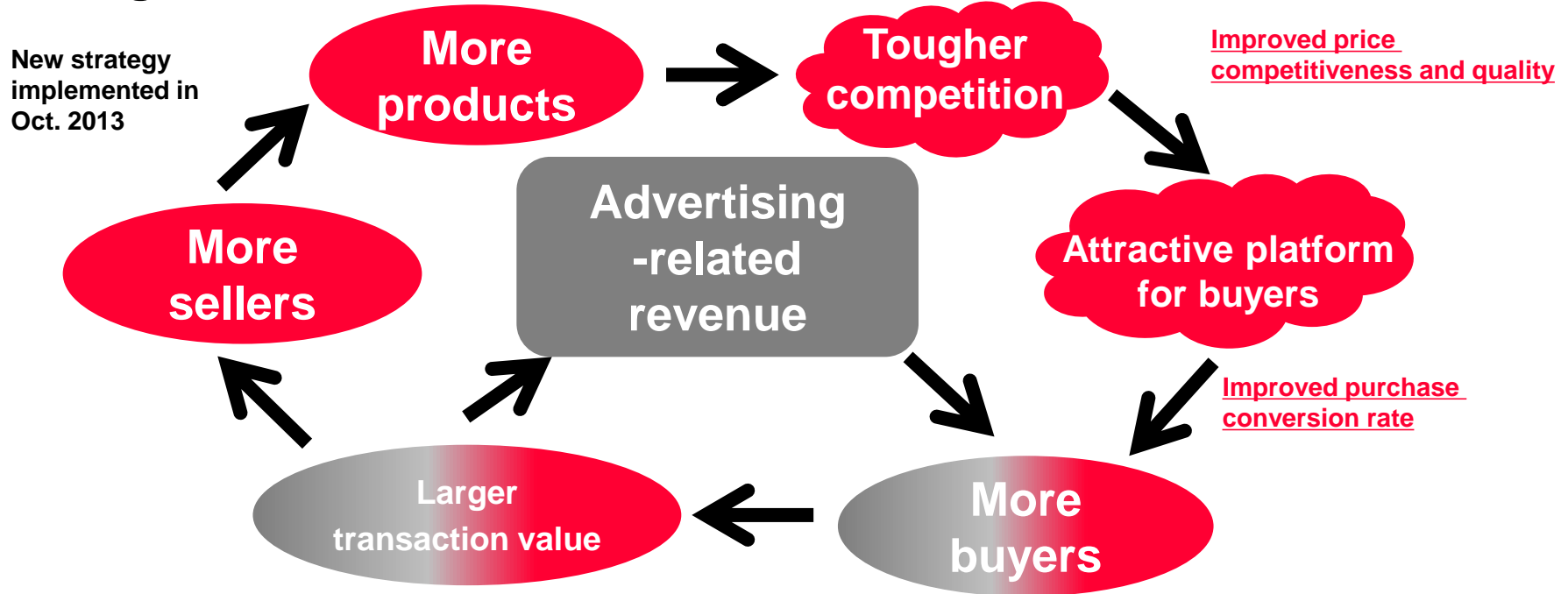


Note: Includes transaction value of Yahoo! Shopping and LOHACO.

Shopping 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.

# Outcome of the New Strategy

2 years have passed since the implementation of the new strategy, and the increase in transaction value has the momentum of exceeding the market growth rate.



**Number of  
new buyers**

**Continued  
usage rate**

**Transaction value=**

**Number of unique buyers × Annual spending per customer**

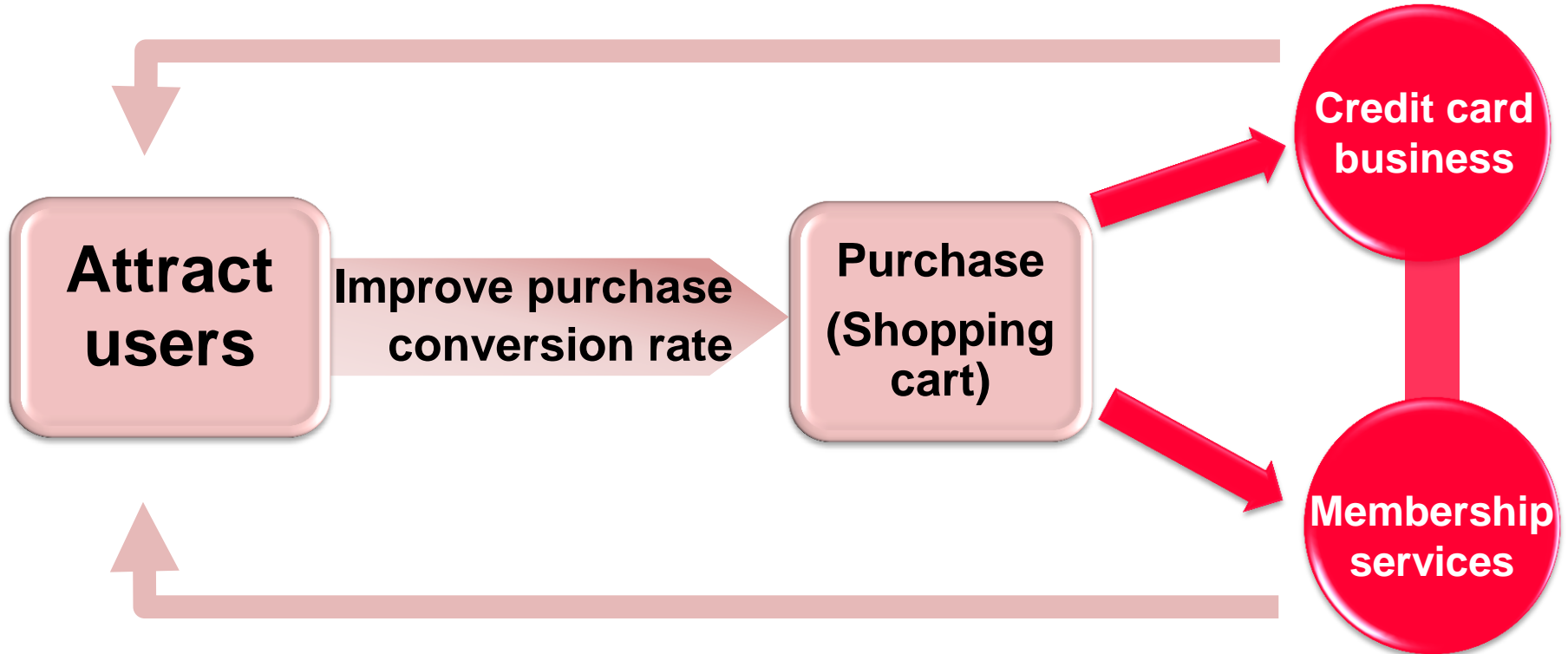
**Increase in continued usage rate**

**Increase in new buyers**

# Synergies across All e-Commerce-Related Businesses **YAHOO!** JAPAN

Expansion of shopping business

Expansion of related  
businesses



# Shopping Business ➡ Credit Card Business

## Shopping cart in Yahoo! Shopping

YAHOO! JAPAN ショッピング IDでもっと便利に新規取得 ログイン Yahoo! JAPAN ヘルプ

ログインしてお買い物をするとポイントがたまります

商品を検索する カテゴリ選択 カート お気に入り 注文履歴 Myショッピング

**アプリで買ったならさらにおトク!** **3倍** ポイント

いつでもポイント**3倍** 年会費永年無料!

- 最短2分ですぐ使える **3,000ポイント**
- さらに後日利用で **2,000ポイント** ※

お買い物合計金額 (税込) 3,240円  
Yahoo! JAPANカード入会特典3,000ポイント -3,000円  
入会特典利用後のお買い物合計金額 240円

申し込みしてポイントをもらおう >

※申込月を含む3カ月以内に1回でもYahoo! JAPANカードを利用すればもらえます。

### ショッピングカート一覧

商品はお取り置きしておりません。お早めのご注文確定をおすすめします。

ストア名:

| 商品名 | 価格 (税込) | 数量                   | 小計<br>獲得ポイント     |
|-----|---------|----------------------|------------------|
|     | 3,240円  | 1 <a href="#">削除</a> | 3,240円<br>32ポイント |

32ポイント獲得 Yahoo! JAPAN IDでログインすれば獲得

合計金額 (税込) : **3,240円** ログインしてご注文手続きへ

全国一律送料無料で

## Promotional page for Yahoo! JAPAN Card

YAHOO! JAPAN カード 2015年9月30日まで 2015年11月4日 23:59

入会&利用で最大 **10,000** ポイントプレゼント

日本一、Tポイントがたまる

**Tカード一体型** クレジットカード

年費永年無料!

毎日Tポイント**3倍** Yahoo!プレミアム会員なら**9倍**

Yahoo!ショッピング Tポイント

詳しくは

※2015年9月時点で発行されているTカード一体型クレジットカードのポイントは付帯サービスとは別です。(※本ページはご参照)

# Shopping Business → Membership Service Business

## Shopping cart in Yahoo! Shopping

YAHOO! JAPAN ショッピング

1,064ポイント ゴールド会員 クーポン枚

カネゴリ選択

カート お気に入り 注文履歴 Myショッピング

アプリで買ったらさらにおトク! 3倍

Yahoo! JAPANカード決済でポイント3倍!

### ショッピングカート一覧

商品はお取り置きしておりません。お早めのご注文確定をおすすめします。

ストア名:

| 商品名 | 価格 (税込) | 数量                   | 小計<br>獲得ポイント               | 後で買う                          |
|-----|---------|----------------------|----------------------------|-------------------------------|
|     | 3,240円  | 1 <a href="#">削除</a> | 3,240円<br>ポイント2倍<br>64ポイント | <input type="checkbox"/> 後で買う |

Yahoo!プレミアム会員になればさらにポイントアップ!

- 1 今回のお買い物から **ポイント5倍**
- 2 Yahoo!プレミアム会員費380円が **最大2カ月無料**
- 3 購入した商品の破損、故障を **補償**

Yahoo!プレミアム会員に登録する (最大2カ月無料)

## Encourage users to apply for Yahoo! Premium membership upon purchase.

Yahoo!プレミアム会員になればさらにポイントアップ!

- 1 今回のお買い物から **ポイント5倍**
- 2 Yahoo!プレミアム会員費380円が **最大2カ月無料**
- 3 購入した商品の破損、故障を **補償**

Yahoo!プレミアム会員に登録する (最大2カ月無料)

合計金額 (税込): **3,240円**  
全国一律送料無料  
※条件により送料が異なる場合があります  
送料・手数料について

**64ポイント獲得**  
今回のお買い物で獲得できるポイントです。

[ご注文手続きへ](#)



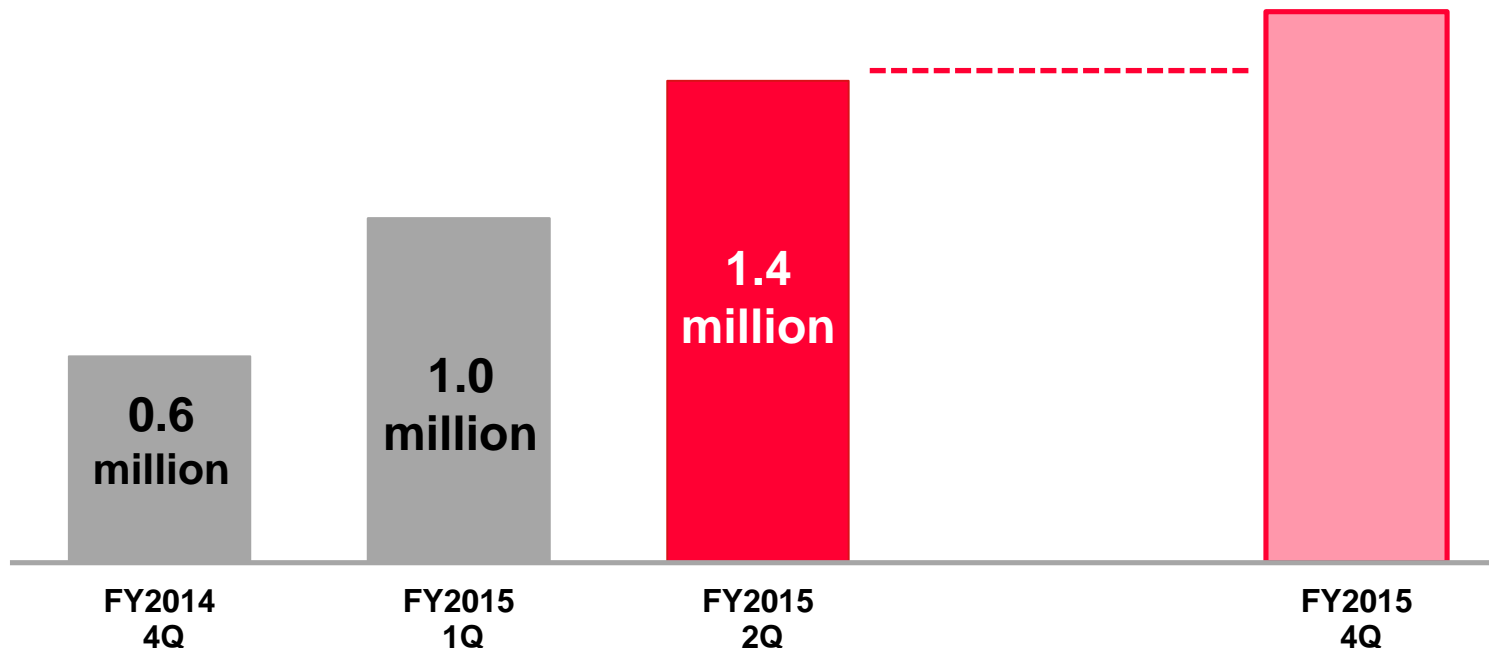
# Investment-Stage Businesses

Shopping  
**Credit Card**

# Progress in Credit Card Business

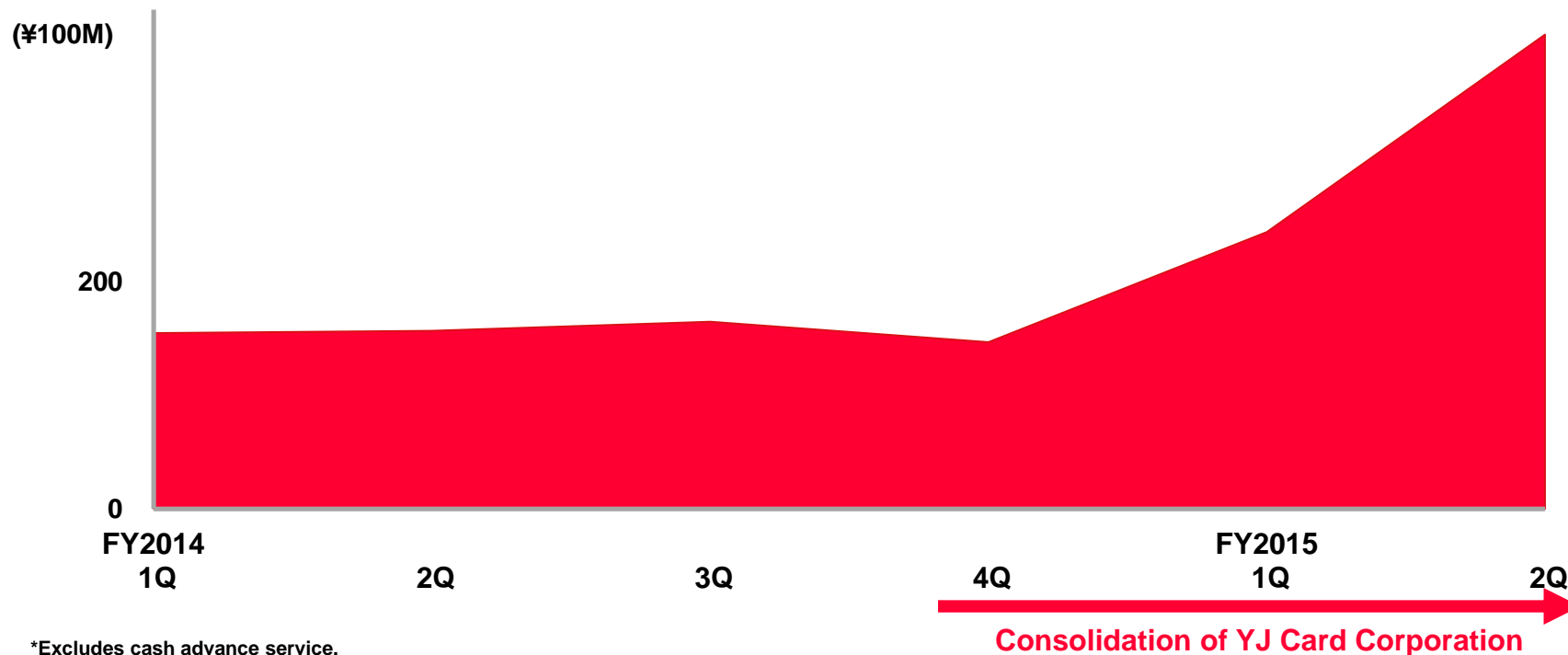
Number of valid card holders reached **1.4 million**.

**1.4 – 1.6 million**  
(Planned value as of May 2015)



# Trends in Card Transaction Value

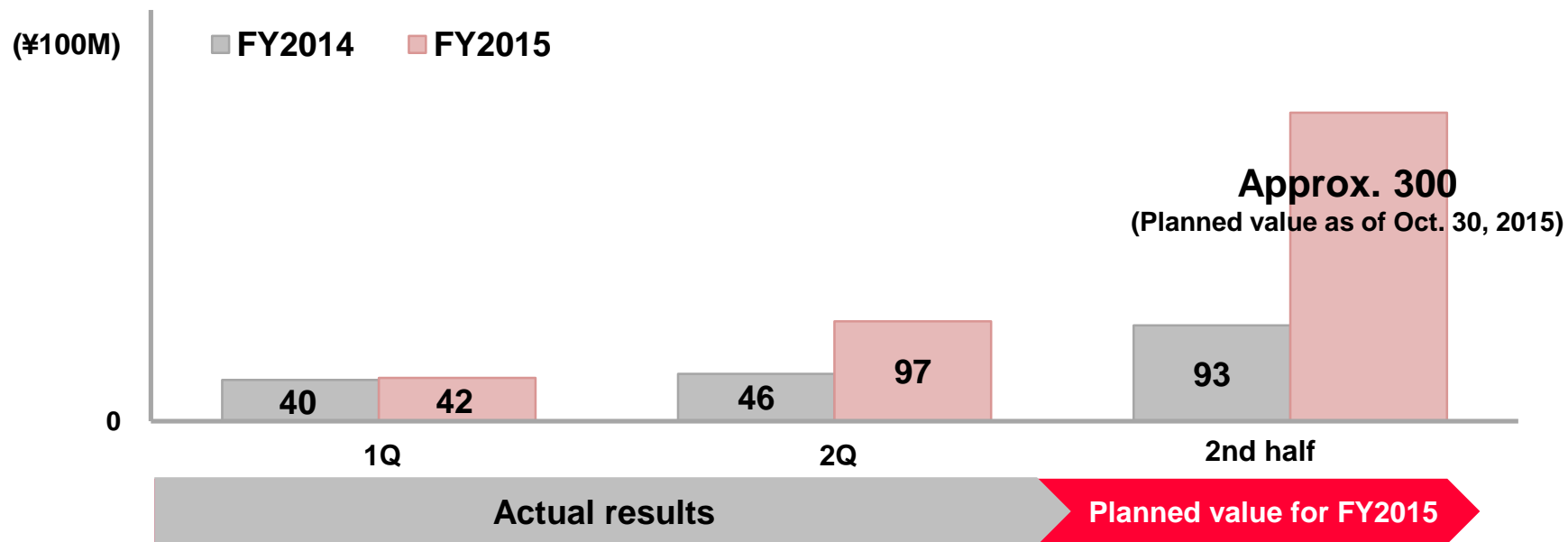
Transaction value (\*) grew by +71.0% QoQ, due to the acquisition of new card holders with a focus on the rate of active users.

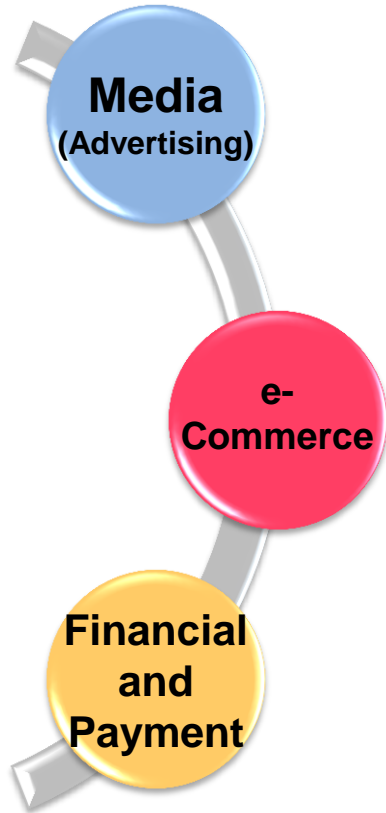


# **In Pursuit of Further Growth**

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

- Enhance sales promotional activities in the latter half of the fiscal year to accelerate revenue growth in and after FY2016.
- Sales promotion-related costs (\*) are projected to increase by ¥20 billion YoY.





## Stronger media power

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

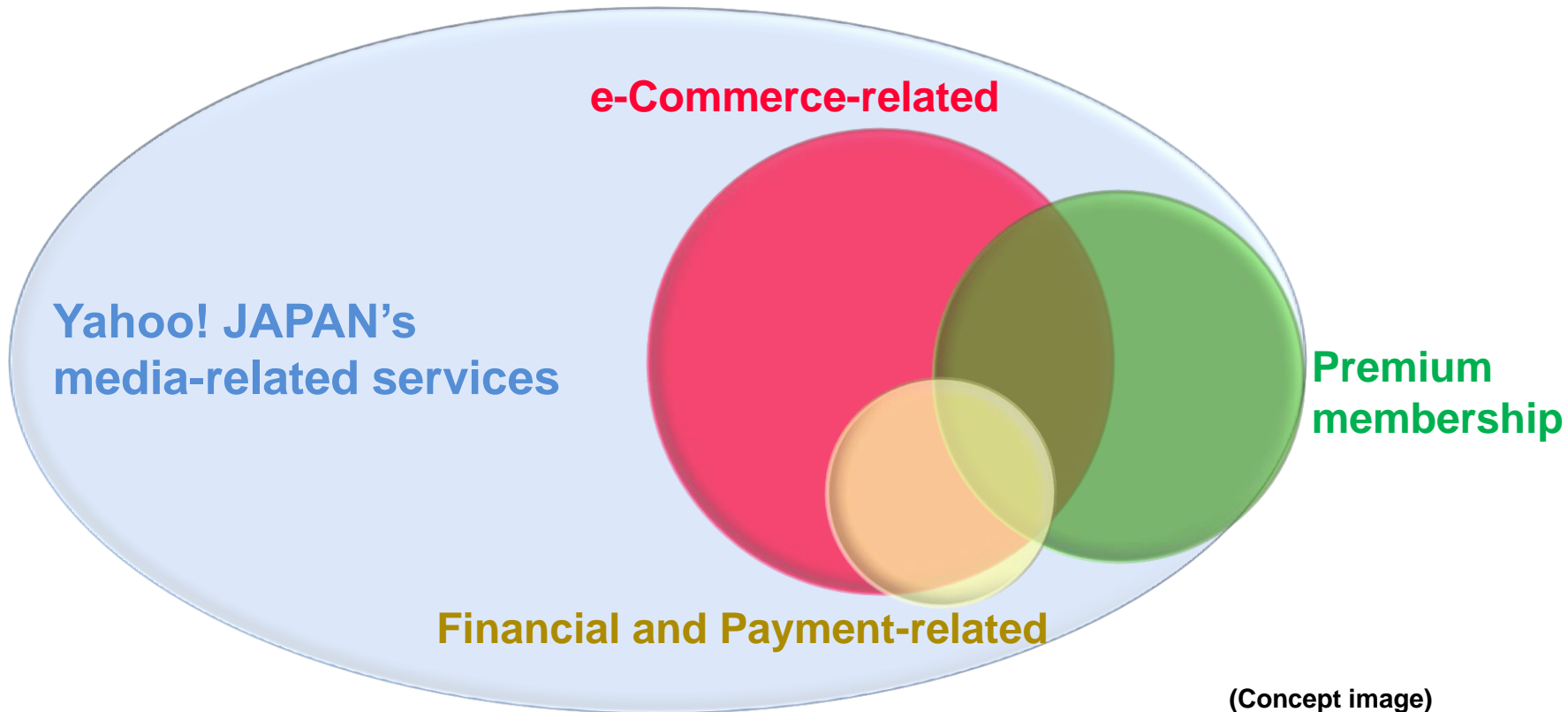
## Larger domestic transaction value

- Shopping business  
Aim to increase transaction value in the 2nd half of FY2015 by more than 30% YoY

## More users of financial and payment-related services

- Credit Card business  
Plan to increase number of valid card holders to 2.0-2.2 million at the end of FY2015

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



**Aim to continuously strengthen the competitiveness of advertising, e-commerce, and financial and payment services – the pillars of future growth.**

**Aggressive  
Management**

**Strengthening of  
Defense**

- Strengthen corporate governance
- Enhance compliance
- Reduce risks in security issues, etc.



# Business Results Supplemental Information

**P. 50    FY2015-2Q Business Results**

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# FY2015-2Q Statements of Income

|  | 14/2Q | 15/2Q | Increase/<br>Decrease | Change  |
|--|-------|-------|-----------------------|---------|
| Revenue (¥100M)  | 1,033 | 1,382 | 349                   | +33.9%  |
| Cost of Sales (¥100M)  | 207   | 433   | 225                   | +108.7% |
| Gross Profit (¥100M)   | 825   | 949   | 123                   | +15.0%  |
| SG&A and others (¥100M)  | 364   | 518   | 153                   | +42.0%  |
| Gain from Remeasurement Relating to Business<br>Combination (¥100M) *1 | -     | 596   | 596                   | n.a.    |
| Operating Income (¥100M)   | 460   | 1,027 | 567                   | +123.2% |
| Other Non-operating Income and Expenses (¥100M)                        | 2     | 16    | 14                    | +683.3% |
| Equity in Earnings (Losses) of Associates (¥100M)                      | 0     | 4     | 3                     | +377.3% |
| Income before Income Taxes (¥100M)                                     | 463   | 1,048 | 584                   | +126.2% |
| Net Income (¥100M)   | 304   | 912   | 607                   | +199.3% |
| Net Income Attributable to Owners of the Parent (¥100M)                | 302   | 913   | 611                   | +202.5% |
| Diluted EPS (¥) *2   | 5.30  | 16.05 | 10.74                 | +202.6% |
| Number of Shares after Dilution (million) *3                           | 5,694 | 5,693 | -0                    | -0.0%   |

\*1 The Company recognized a gain of ¥59.6 billion from the remeasurement relating to consolidation of ASKUL Corporation in FY2015-2Q.

\*2 Diluted EPS is calculated using the Net Income Attributable to Owners of the Parent.

\*3 Number of Shares after Dilution excludes treasury stock.

# FY2015-2Q Operating Expenses

|  | 14/2Q      | 15/1Q      | 15/2Q      | QoQ<br>Change  | YoY<br>Change  | Major Factors for YoY Changes  | (¥100M) |
|--|------------|------------|------------|----------------|----------------|--|---------|
| <b>Cost of Sales</b>                       | <b>207</b> | <b>241</b> | <b>433</b> | <b>+79.6%</b>  | <b>+108.7%</b> | Consolidation of ASKUL Corporation. Increase due to changes in the terms of agreements related to search system usage. |         |
| <b>Total SG&amp;A</b>                      | <b>364</b> | <b>372</b> | <b>518</b> | <b>+39.0%</b>  | <b>+42.0%</b>  |  |         |
| <b>Personnel Expenses</b>                  | <b>114</b> | <b>121</b> | <b>152</b> | <b>+26.3%</b>  | <b>+33.2%</b>  | Number of employees reached 8,803, up 1,975 (+28.9%)   |         |
| <b>Sales Promotion Costs</b>               | <b>40</b>  | <b>38</b>  | <b>87</b>  | <b>+131.1%</b> | <b>+114.7%</b> | Increase of T-POINTS expenses and acquisition cost for Yahoo! JAPAN Card members                                       |         |
| <b>Depreciation and Amortization</b>       | <b>34</b>  | <b>47</b>  | <b>57</b>  | <b>+20.3%</b>  | <b>+65.6%</b>  | Consolidation of ASKUL Corporation. Increase of server, network-related cost and in-house software development.        |         |
| <b>Business Commissions</b>                | <b>45</b>  | <b>47</b>  | <b>56</b>  | <b>+17.8%</b>  | <b>+23.0%</b>  | Consolidation of ASKUL Corporation   |         |
| <b>Royalties</b>                           | <b>27</b>  | <b>30</b>  | <b>31</b>  | <b>+3.3%</b>   | <b>+11.2%</b>  |  |         |
| <b>Lease and Utility Expenses</b>          | <b>23</b>  | <b>22</b>  | <b>27</b>  | <b>+21.0%</b>  | <b>+15.8%</b>  |  |         |
| <b>Content Provider Fees</b>               | <b>29</b>  | <b>15</b>  | <b>19</b>  | <b>+19.8%</b>  | <b>-34.8%</b>  | Decrease due to changes in the terms of agreements related to search system usage                                      |         |
| <b>Communication Charges</b>               | <b>14</b>  | <b>14</b>  | <b>15</b>  | <b>+9.9%</b>   | <b>+8.1%</b>   |  |         |
| <b>License Fees</b>                        | <b>6</b>   | <b>9</b>   | <b>12</b>  | <b>+31.0%</b>  | <b>+85.3%</b>  |  |         |
| <b>Packing and Freight</b>                 | <b>0</b>   | <b>0</b>   | <b>11</b>  | <b>-</b>       | <b>-</b>       | Consolidation of ASKUL Corporation   |         |
| <b>Others</b>                              | <b>26</b>  | <b>25</b>  | <b>46</b>  | <b>+81.4%</b>  | <b>+75.3%</b>  |  |         |
| <b>Total of Cost of Sales and SG&amp;A</b> | <b>572</b> | <b>614</b> | <b>952</b> | <b>+55.0%</b>  | <b>+66.2%</b>  |  |         |

# FY2015-2Q Statements of Financial Position

(¥100M)

|   | 2015/3/31 | 2015/9/30 | Increase/<br>decrease |   | 2015/3/31 | 2015/9/30 | Increase/<br>decrease |
|---|-----------|-----------|-----------------------|---|-----------|-----------|-----------------------|
| <b>&lt;Assets&gt;</b>                             |           |           |                       | <b>&lt;Liabilities&gt;</b>                                |           |           |                       |
| <b>Current Assets</b>                             | 7,418     | 8,253     | 835                   | <b>Current Liabilities</b>                                | 2,397     | 3,145     | 747                   |
| Cash and Cash Equivalents                         | 5,039     | 5,218     | 178 *1 *2             | Trade and Other Payables                                  | 1,589     | 2,285     | 695 *3                |
| Trade and Other Receivables                       | 2,177     | 2,612     | 435 *3                | Other Financial Liabilities/Other Current Liabilities     | 413       | 448       | 35                    |
| Other Financial Assets/Other Current Assets       | 201       | 422       | 221 *3                | Income Taxes Payable                                      | 330       | 337       | 6                     |
| <b>Non-current Assets</b>                         | 2,657     | 4,224     | 1,566                 | Provisions  | 63        | 73        | 9                     |
| Property and Equipment                            | 674       | 1,111     | 437 *3                | Other Non-current Liabilities                             | 272       | 649       | 376                   |
| Goodwill  | 276       | 833       | 557 *3                | Other Financial Liabilities/Other Non-Current Liabilities | 44        | 166       | 122 *3                |
| Intangible Assets                                 | 323       | 1,069     | 745 *3                | Provisions  | 228       | 254       | 26                    |
| Investments Accounted for Using the Equity Method | 616       | 304       | -312 *4               | Deferred Tax Liabilities                                  | 0         | 228       | 228 *3                |
| Deferred Tax Assets                               | 151       | 190       | 39                    | <b>Total Liabilities</b>                                  | 2,670     | 3,794     | 1,123                 |
| Other Financial Assets/Other Non-current Assets   | 614       | 713       | 98                    |   |           |           |                       |
| <b>Total Assets</b>                               | 10,076    | 12,478    | 2,402                 | <b>&lt;Equity&gt;</b>                                     |           |           |                       |
|   |           |           |                       | Equity Attributable to Owners of the Parent               | 7,260     | 7,988     | 728                   |
|   |           |           |                       | Common Stock  | 82        | 83        | 0                     |
|   |           |           |                       | Capital Surplus   | 12        | 12        | -0                    |
|   |           |           |                       | Retained Earnings   | 7,058     | 7,801     | 743                   |
|   |           |           |                       | Treasury Stock  | -13       | -13       | -                     |
|   |           |           |                       | Accumulated Other Comprehensive Income                    | 119       | 104       | -14                   |
|   |           |           |                       | <b>Non-controlling Interests</b>                          | 145       | 695       | 550                   |
|   |           |           |                       | <b>Total Equity</b>                                       | 7,405     | 8,684     | 1,278                 |
|   |           |           |                       | <b>Total Liabilities and Equity</b>                       | 10,076    | 12,478    | 2,402                 |

## Major Factors for Increase/Decrease

- \*1 Increase due to net cash provided by operating activities
- \*2 Decrease due to payment of dividends and income taxes
- \*3 Increase due to consolidation of ASKUL Corporation
- \*4 Decrease due to consolidation of ASKUL Corporation

# FY2015-2Q Statements of Cash Flows

| Major Items   | 15/2Q             | (¥100M)                            |
|---|-------------------|------------------------------------|
| <b><u>Operating Activities</u></b>                          | <b><u>470</u></b> |                                    |
| Income before Income Taxes                                  | 1,048             |                                    |
| Depreciation and Amortization                               | 65                |                                    |
| Gain from Remeasurement Relating to Business Combination    | -596              | Consolidation of ASKUL Corporation |
| Increase/Decrease in Trade and Other Receivables/Payables   | 56                |                                    |
| Increase/Decrease in Other Current Liabilities              | 40                |                                    |
| Increase/Decrease in Other Financial Assets and Liabilities | -81               |                                    |
| Increase/Decrease in Accrued Consumption Tax and Others     | -26               |                                    |
| <b><u>Investing Activities</u></b>                          | <b><u>187</u></b> |                                    |
| Expenditures on Property and Equipment                      | -81               |                                    |
| Expenditures on Intangible Assets                           | -16               |                                    |
| Expenditures on Investment Securities                       | -29               |                                    |
| Proceeds from Acquisition of Control over Subsidiaries      | 288               | Consolidation of ASKUL Corporation |
| <b><u>Financing Activities</u></b>                          | <b><u>-17</u></b> |                                    |
| <b><u>Net Change in Cash and Cash Equivalents</u></b>       | <b><u>638</u></b> |                                    |

# FY2015 1H Investment Records

**Total amount of investments : approx. 6.3 billion yen**

## Major investments

| Companies                    | Date      | Ratio of voting rights |
|------------------------------|-----------|------------------------|
| Skyscanner Japan K.K.        | July 2015 | 49.0%                  |
| Dynatech inc.                | July 2015 | 100.0%                 |
| Sony Real Estate Corporation | July 2015 | 43.7%                  |
| BuzzFeed Japan Corporation   | Aug. 2015 | 49.0%                  |

Note: Total amount of investments by Yahoo Japan Corporation.  
Company names and ratios of voting rights are at the point of investment.

# Business Segment Breakdown

## Marketing Solutions Business

- **Advertising:** Paid search advertising “Sponsored Search”  
Display advertising (“Yahoo! Display Ad Network (YDN)”, “Premium Advertising”)
- **Business Services:** Affiliate-related 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, 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, Personal system-use fees of YAHUOKU!, LOHACO, 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

# Advertising Products

| Advertising Products    |                     | Main Format                        | Fee Calculation                  | Placement Pages                                    | Main Advertiser Base             |
|-------------------------|---------------------|------------------------------------|----------------------------------|--|----------------------------------|
| Paid search advertising | Sponsored Search®   |                                    | Text                             | Search results pages                               | Major corporations               |
| Display advertising     | YDN and others      | Yahoo! Display Ad Network (YDN) *3 | Text Banner                      | Top page<br>Interior pages of service sites        | Small and medium-sized companies |
|                         |                     | Yahoo! Premium DSP                 | Banner                           |  | Major corporations               |
|                         | Premium Advertising |                                    | Rich ad (Including video) Banner | Per-impression page view rate (Guarantee-based) *2 |                                  |

\*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            | 14/2Q<br>(Jul.-Sep.) | 14/3Q<br>(Oct.-Dec.) | 14/4Q<br>(Jan.-Mar.) | 15/1Q<br>(Apr.-Jun.) | 15/2Q<br>(Jul.-Sep.) |
|---------------------------------|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total advertising revenue       | 100 million yen | 605                  | 621                  | 693                  | 633                  | 657                  |
| YoY Change                      | %               | +7.2%                | +5.4%                | +8.4%                | +9.5%                | +8.6%                |
| Paid search advertising revenue | 100 million yen | 382                  | 372                  | 397                  | 362                  | 361                  |
| YoY Change                      | %               | +1.7%                | -2.1%                | +0.6%                | -1.8%                | -5.4%                |
| Display advertising revenue     | 100 million yen | 223                  | 248                  | 296                  | 271                  | 296                  |
| YoY Change                      | %               | +18.2%               | +19.2%               | +21.0%               | +29.5%               | +32.8%               |
| YDN and others revenue *1       | 100 million yen | 131                  | 147                  | 181                  | 184                  | 215                  |
| YoY Change                      | %               | +62.8%               | +58.3%               | +65.9%               | +60.8%               | +64.5%               |
| Premium Advertising revenue *2  | 100 million yen | 92                   | 101                  | 114                  | 87                   | 80                   |
| YoY Change                      | %               | -14.9%               | -12.4%               | -15.4%               | -8.3%                | -12.5%               |

\*1 Yahoo! Premium DSP is included.

\*2 Video advertising is included.

# Quarterly Business Data (1)

| Indicator (Quarterly average)                          | Unit     | 14/2Q<br>(Jul.-Sep.) | 14/3Q<br>(Oct.-Dec.) | 14/4Q<br>(Jan.-Mar.) | 15/1Q<br>(Apr.-Jun.) | 15/2Q<br>(Jul.-Sep.) | YoY<br>Change |
|--|----------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------|
| Number of total monthly page views                     | millions | 62,483               | 60,561               | 61,969               | 64,990               | 68,102               | +9.0%         |
| Number of total monthly smartphone page views *1       | millions | 26,903               | 27,320               | 29,454               | 31,930               | 34,476               | +28.1%        |
| Number of Daily UBs (Unique Browsers) *2               | millions | 73.54                | 76.01                | 79.79                | 82.82                | 85.09                | +15.7%        |
| Number of smartphone Daily UBs *1 *2                   | millions | 39.43                | 42.43                | 45.92                | 49.23                | 51.61                | +30.9%        |
| Number of monthly active user IDs *3                   | millions | 28.29                | 28.89                | 29.53                | 30.07                | 30.94                | +9.3%         |
| Number of monthly paid-membership IDs (quarter-end) *4 | millions | 14.67                | 15.07                | 15.46                | 15.54                | 15.99                | +9.0%         |

\*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            | 14/2Q<br>(Jul.-Sep.) | 14/3Q<br>(Oct.-Dec.) | 14/4Q<br>(Jan.-Mar.) | 15/1Q<br>(Apr.-Jun.) | 15/2Q<br>(Jul.-Sep.) | YoY<br>Change |
|--|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------|
| Auction-related transaction value *1   | 100 million yen | 1,920                | 2,217                | 2,090                | 2,088                | 2,032                | +5.8%         |
| Shopping-related transaction value *2  | 100 million yen | 895                  | 1,028                | 961                  | 1,022                | 1,139                | +27.3%        |
| ASKUL Corporation's BtoB-related revenue (transaction value) via Internet *3 | 100 million yen | -                    | -                    | -                    | -                    | 163                  | n.a.          |
| Total domestic e-commerce transaction value *4                               | 100 million yen | 2,815                | 3,245                | 3,051                | 3,110                | 3,335                | +18.5%        |
| Total domestic e-commerce transaction value via smartphon *5                 | 100 million yen | 915                  | 1,147                | 1,108                | 1,170                | 1,253                | +36.8%        |
| Number of YAHUOKU! store IDs (quarter-end) *6                                | IDs             | 19,116               | 19,533               | 19,951               | 20,255               | 20,537               | +7.4%         |
| Number of Yahoo! Shopping store IDs (quarter-end) *6                         | IDs             | 193,168              | 243,896              | 282,537              | 317,778              | 346,888              | +79.6%        |

\*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 Sep. 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 Sep. 20, 2015.

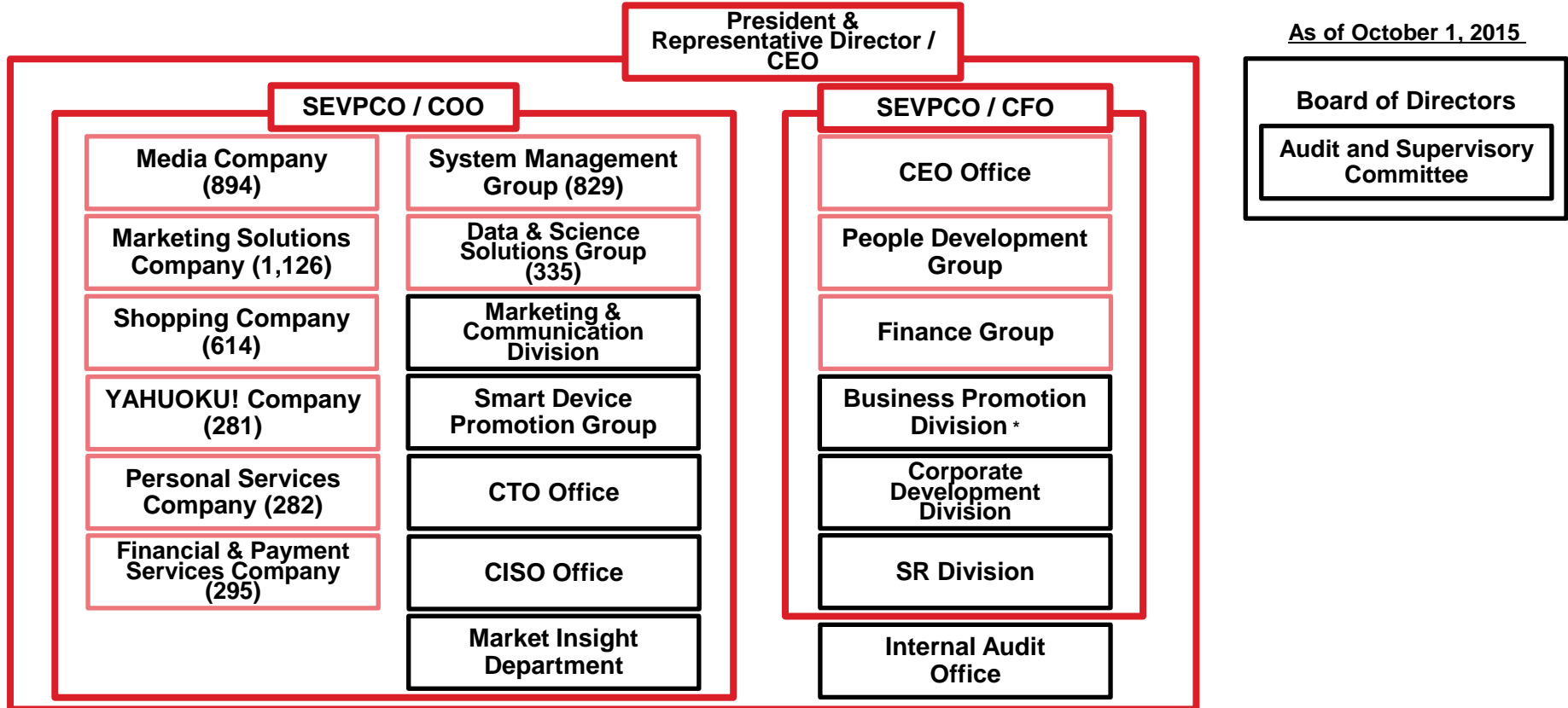
\*5 Includes auction-related and shopping-related transaction value.

\*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.

# Organization Chart of Yahoo Japan Corporation

As of October 1, 2015



Note 1: Figures in parentheses are number of employees

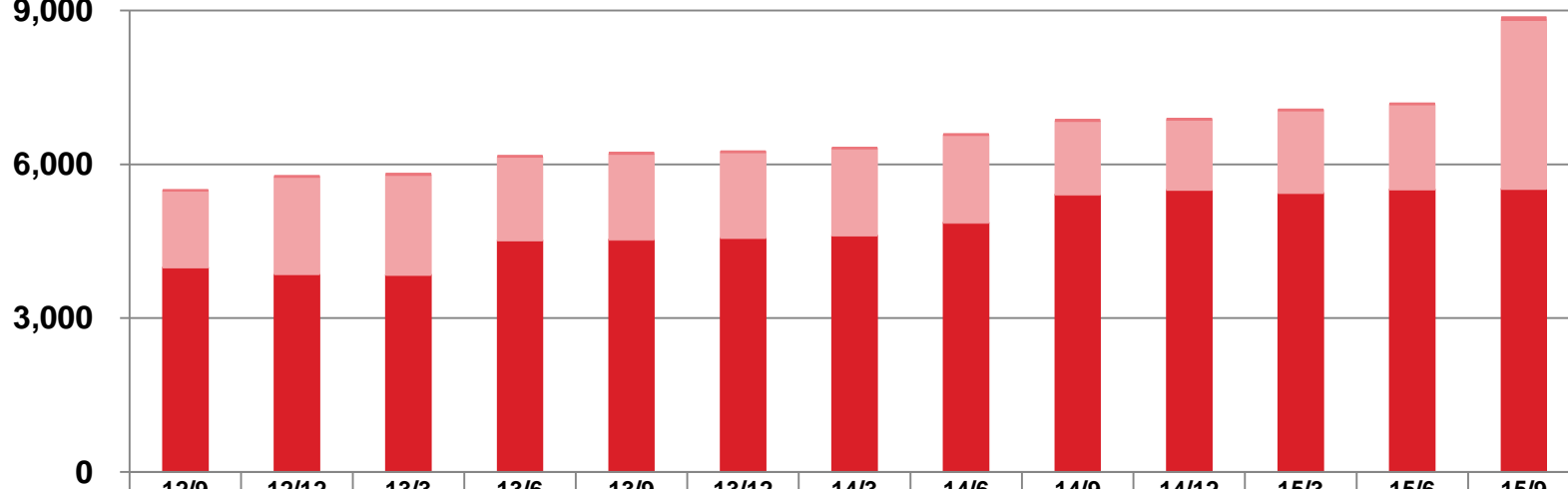
Note 2: SEVPCO = Senior Executive Vice President Corporate Officer

\* 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



|   | 12/9         | 12/12        | 13/3         | 13/6         | 13/9         | 13/12        | 14/3         | 14/6         | 14/9         | 14/12        | 15/3         | 15/6         | 15/9         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ■ Directors and Auditors of Subsidiaries            | 20           | 31           | 35           | 30           | 33           | 31           | 30           | 30           | 38           | 33           | 33           | 33           | 61           |
| ■ Employees of Subsidiaries                         | 1,491        | 1,885        | 1,938        | 1,620        | 1,660        | 1,658        | 1,684        | 1,695        | 1,421        | 1,352        | 1,595        | 1,642        | 3,285        |
| ■ Directors and Auditors of Yahoo Japan Corporation | 9            | 8            | 8            | 9            | 9            | 9            | 9            | 11           | 11           | 11           | 11           | 9            | 9            |
| ■ Employees of Yahoo Japan Corporation              | 3,984        | 3,859        | 3,842        | 4,514        | 4,531        | 4,562        | 4,607        | 4,860        | 5,407        | 5,498        | 5,439        | 5,509        | 5,518        |
| <b>Total</b>  | <b>5,504</b> | <b>5,783</b> | <b>5,823</b> | <b>6,173</b> | <b>6,233</b> | <b>6,260</b> | <b>6,330</b> | <b>6,596</b> | <b>6,877</b> | <b>6,894</b> | <b>7,078</b> | <b>7,193</b> | <b>8,873</b> |

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

# Consolidated Subsidiaries and Associates

(as of September 30, 2015)

## ● Major consolidated subsidiaries

- ◆ ASKUL Corporation **NEW!**
- ◆ Dynatech inc. **NEW!**
- ◆ FirstServer, Inc.
- ◆ IDC Frontier Inc.
- ◆ Synergy Marketing, Inc.
- ◆ YJ Capital Inc.
- ◆ YJFX, Inc.
- ◆ Y's Sports Inc.
- ◆ Carview Corporation
- ◆ ecohai Co.,Ltd. **NEW!**
- ◆ 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 **NEW!**
- ◆ Sony Real Estate Corporation **NEW!**

