

May 19, 2017

To whom it may concern

Yahoo Japan Corporation
Manabu Miyasaka, President & CEO
Stock code: 4689

Notification regarding Introduction of a Restricted Stock Compensation Plan

Yahoo Japan Corporation (hereinafter the “Company”) hereby announces that the Board of Directors, at its meeting held today, reviewed the directors’ compensation plan and resolved to introduce a restricted stock compensation plan (hereinafter the “Plan”). The Company will submit a proposal regarding this Plan to the 22nd Ordinary General Meeting of the Shareholders scheduled to be held on June 20, 2017 (hereinafter the “General Meeting of the Shareholders”).

1. Purpose and conditions regarding the introduction of the Plan

(1) Purpose of introducing the Plan

The Plan is introduced in order to provide an incentive for the Company’s directors, excluding outside directors and directors serving on the Audit and Supervisory Committee (hereinafter the “Eligible Director(s)”) to sustainably increase the Company’s corporate value, and to further promote shared value with shareholders.

(2) Conditions for the introduction of the Plan

Since compensation for the Eligible Directors for granting restricted stocks shall be monetary compensation claims under this Plan, the introduction of the Plan is subject to approval on the provision of this compensation by the shareholders at the General Meeting of the Shareholders.

The compensation amount for directors excluding directors serving on the Audit and Supervisory Committee approved at the 20th Ordinary General Meeting of the Shareholders held on June 18, 2015 is within one billion yen per year (out of which compensation amount for outside directors is within 200 million yen per year). At the General Meeting of the Shareholders, the Company plans to propose a resolution on the new introduction of this Plan and the new establishment of a compensation portion for this Plan for the Eligible Directors.

2. Overview of the Plan

The Eligible Directors shall make in-kind contribution of all monetary compensation claims to be provided by the Company according to the Plan, and shall, in return,

receive the Company's common shares that will be issued or disposed of by the Company. In addition, the total amount of monetary compensation claims to be paid to the Eligible Directors based on the Plan shall be within 400 million yen per year (excluding the portion of employee's salary for directors who concurrently serve as employees). Specific timing of payment thereof and allocation to each of the Eligible Director shall be determined by the Board of Directors.

The total number of common shares to be issued or disposed of by the Company in this Plan (hereinafter the "Shares") shall be 800,000 or less per year. (In the event of a share split (including the allotment of Company's common shares without consideration) or share consolidation of the Company's common shares with an effective date that is on or after the resolution date of this General Meeting of the Shareholders, or other events where total number of common shares of the Company to be issued or disposed of as restricted stocks needs to be adjusted, the said total number of shares shall be adjusted as needed and to the extent reasonable.) The amount to be paid-in per share shall be decided by the Board of Directors based on the closing price of the Company's common share on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day), and within an amount that will not be particularly favorable to the Eligible Directors subscribing to the Shares.

In addition, the issuance or disposal of the Shares shall be subject to the conclusion of a Restricted Stock Allotment Agreement including the following content between the Company and each Eligible Director who is scheduled to be provided with the restricted stock compensation:

- 1) The Eligible Director shall not transfer, create a security interest on, or dispose of the Shares during a period from three to five years determined by the Board of Directors, and
- 2) The Company shall acquire the Shares without consideration in the case where certain events happen, etc.

During the transfer restriction period, the Shares shall be administered in accounts that will be specially opened in Nomura Securities Co., Ltd. by the Eligible Directors so that the Shares cannot be transferred, created a security interest on or otherwise disposed of during the transfer restriction period.

Besides the Eligible Directors, the Company also plans to apply this Plan to the employees of the Company. The Board of Directors meeting held today has resolved, based on this Plan, to issue new shares through a third party allotment of common shares to the Eligible Directors and the employees of the Company. However, the

allotment of the Shares to the Eligible Directors is resolved subject to the approval of the shareholders on the introduction of this Plan in the General Meeting of the Shareholders. For details, please refer to the “Notification regarding the Issuance of New Shares as Restricted Stock Compensation” announced today.

Disclaimer

This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.