

Transparency Report on Advertising Service Quality

Yahoo Japan Corporation December 2021



About this report

Yahoo! JAPAN aims to provide services that satisfy everyone involved, including internet users, advertisers, and partner sites. We undertake several procedures that improve the quality and transparency of our services to achieve this goal.

The "Transparency Report on Advertising Service Quality" summarizes our practices that improve the quality of advertising services. We continue shedding light on our practices and providing assurances to our users.

Ad Account Review

Ad Account Review

To prevent inappropriate advertisements, Yahoo! JAPAN reviews each "ad account" at the time of application.

In this review, we identify past ad fraudsters to prevent the same ad fraudsters from delivering ads by using information such as the advertiser's company name and location. We also check the contents of the advertiser's website to prevent inappropriate advertisements.

In addition, even after the start of ad delivery, we suspend the use of ad accounts when there are numerous violations of Advertisement Editorial Guidelines in the ads under the account or when there are fraud attempts to evade the review. If the ad account is suspended, the account will not be able to deliver ads in the future.

Ad accounts
Not approved:
4,202 accounts

(Breakdown)
Review when applying : 1,638
Review after starting ad delivery: 2,564

Ad review

About ad reviews

Yahoo! JAPAN reviews each ad to prevent inappropriate ads.

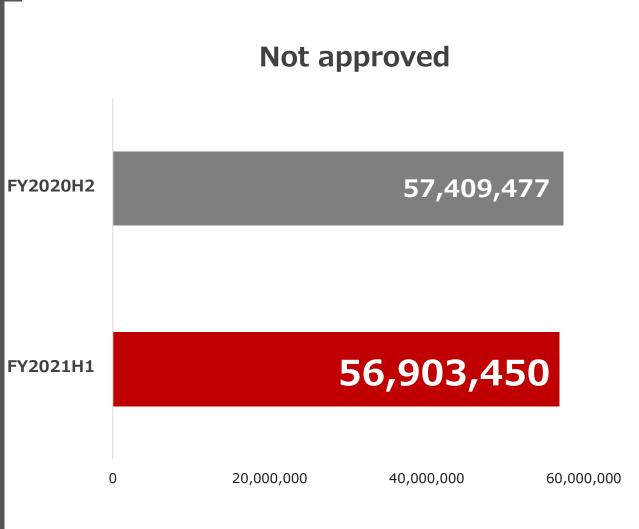
In this screening process of review, we use Yahoo! JAPAN Advertisement Editorial Guidelines to prevent the delivery of advertisements that violate laws and regulations, such as ads with deception and exaggeration, as well as ads that may cause discomfort and anxiety to users.

We constantly review the Advertisement Editorial Guidelines to keep up with legal changes and social conditions. We plan to apply the new Advertisement Editorial Guidelines on January 13, 2022.

Our trained staff and systems review the ads 24 hours a day throughout the year based on the Advertisement Editorial Guidelines from before the ad is applied to after the ad delivery starts.

Changes in Advertisement Editorial Guidelines (Effective date January 13, 2022) https://ads-promo.yahoo.co.jp/support/announce/30233862.html#article_en

Results from ad review (Half year comparison)



In the first half of FY2021(*1), we rejected approximately 57 million ad creatives (*2) on Yahoo! JAPAN Ads.

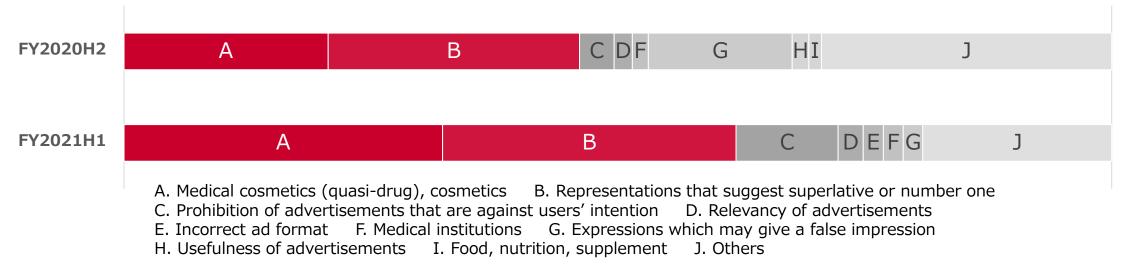
Although there was no significant increase or decrease in the number of rejected ads compared to the second half of FY2020, we prevented the delivery of many inappropriate ads as we did in the second half of FY2020.

In addition to the review after starting ad delivery, we also conducted educational activities for advertisers to promote their understanding of the Advertisement Editorial Guidelines and prevent ads that violate the guidelines.

^{*1.} FY2021H1: April-September, 2021

^{*2.} The total number of titles, descriptions, images, destination website, and keywords that were rejected due to violation of Yahoo! JAPAN Advertisement Editorial Guidelines, Ad insertion rules, and Sales restrictions.

Breakdown of reject reasons (Half year comparison)



Breakdown of items that violate Yahoo! JAPAN Advertisement Editorial Guidelines and Ad Insertion Rules

In the first half of FY2021, there was an increase in the number of rejected ads for the following criteria: "A. Medical cosmetics (quasi-drug), cosmetics," "B. Representations that suggest superlative or number one," and "C. Prohibition of advertisements that are against users' intention."

The increase in the number of "medical cosmetics (quasi-drug), cosmetics" and "representations that suggest superlative or number one" was due to new trends in ad expressions, and a certain percentage

was determined to violate the Advertisement Editorial Guidelines. In addition, there was a noticeable number of cases where "advertisements that are against users' intention" were rejected because the link destinations did not display correctly.

Breakdown of reject reasons by ad creatives



- A. Representations that suggest superlative or number one B. Medical cosmetics (quasi-drug), cosmetics
- C. Prohibition of advertisements that are against users' intention D. Incorrect ad format E. Representations for consumption tax
- F. Relevancy of advertisements G. Expressions which may give a false impression H. Clear indication of advertisers
- I. Pharmaceuticals/medicated cosmetics and medical devices J. Expressions which may give a false impression K. Others

In the first half of FY2021, a majority of ad titles, descriptions, and images were rejected under "A. Representations that suggest superlative or number one." We require to describe with objective evidence when using the representations that suggest superlative. But because of no indication of evidence, there were many ads rejected.

In the case of videos, there was a notable number of rejections based on "G. Expressions that may cause discomfort to users." Expressions that stirred up a sense of fear or sexuality was used in promotions for game apps and e-books, and expressions that emphasized the stain by enlarging a part of the face for promoting hygiene products.

Review results related to COVID-19

Advertisements related to COVID-19 have undergone significant changes in their appeal over the past two years.

At the beginning of 2020, there were advertisements for leave-support payment application services, online learning, and sterilization products. In 2021, there were advertisements for PCR test kits, online medical treatment, vaccination-related, and free cancellation travel plans.

From the ad review perspective, we carefully considered advertisements delivered to users under the social situation. In April 2020, we issued a warning against inappropriate ads related to COVID-19, such as those that mislead or take advantage of COVID-19, as if they can be "prevented" or "cured." We also strengthened our review at the same timing.

In the first half of FY2021, the number of such rejected inappropriate ads decreased significantly.

Number of cases where "COVID-19" is claimed in the title or description, and rejected.

FY2020H1 FY2020H2 FY2021H1 13,734 2,074

Review of ad places

About review of ad places

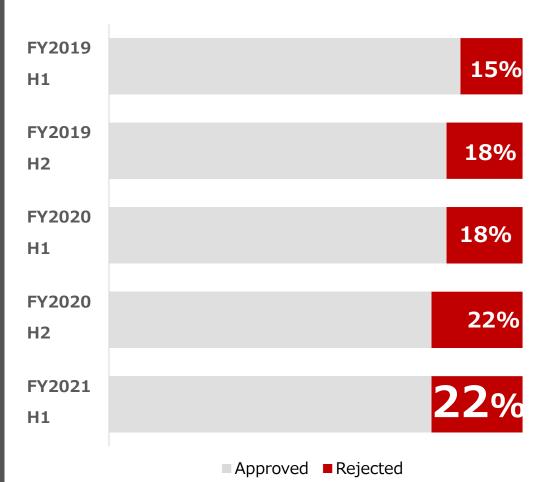
Yahoo! JAPAN delivers Yahoo! JAPAN Ads not only to Yahoo! JAPAN sites and applications, but also to various sites and applications of our partner companies.

To properly connect internet users and advertisers and to ensure that Yahoo! JAPAN Ads is safe, we review and patrol the ad places by both human eyes and system, 24-hours every day.

There are two initiatives regarding ad places: one is to detect and eliminate the "ad fraud" of access and click on ads by bots to deceive advertising money. The other is "brand safety," which prevents ad delivery on illegal sites and other inappropriate content.

In both cases, we take measures through the review in advance of sites and apps where the ads are delivered and continuous patrols after the start of ad delivery.

Results of pre-review of ad spaces



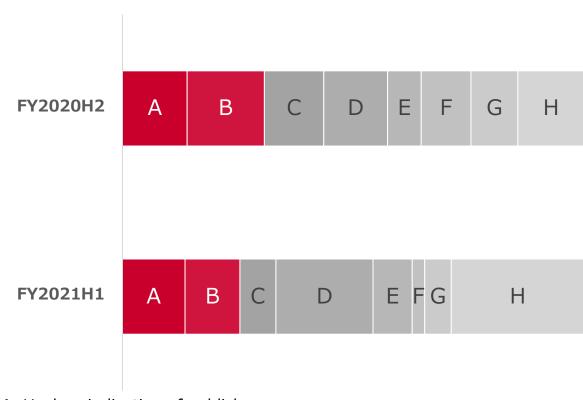
In the first half of FY2021, the rate of rejected pre-review of ad spaces was approximately 22%, no change from the second half of FY2020.

In October 2019, Yahoo! JAPAN launched the Trust & Safety Division, an organization dedicated to maintaining and improving the quality of advertising services. Since then, we have also formed a department dedicated to ad space quality to face the challenges. We are constantly revising our guidelines and optimizing the review process.

As we continue to take measures to address the issues, the rejection rate of pre-review is gradually increasing.

Review unit: Site domain Counts are duplicated for the same site with different application routes.

Breakdown of reject reasons of ad places



- A. Unclear indication of publishers
- B. Unclear indication of a person or business
- C. Sexual products/services
- D. Ad fraud suspicious
- E. Infringe on copyrights, trademarks and other intellectual property rights
- F. Websites that have inappropriate posts, etc.
- G. Point sites
- H. Others

The breakdown of rejected sites in the pre-review: the percentage fell of sites owners in category "B. unclear indication of a person or business," "C. Sexual products/services," and "F. Websites that have inappropriate posts, etc.."

On the other hand, the number of sites with "D. Ad fraud suspicion" is increasing. In our pre-review for ad fraud, we use site evaluation information from external fraud detection companies. If an ad fraud occurs in a high percentage on a site, we refuse to deliver ads on that site because it has quality concerns.

The sites that fell under the "Ad fraud suspicion" category this time were tourist information and game information sites.

Ad Fraud Prevention

Ad Fraud Prevention

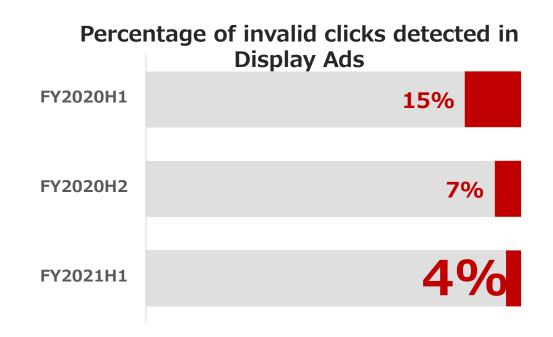
We monitor traffic 24 hours a day, 7 days a week to ensure that Yahoo! JAPAN Ads are delivered to the relevant internet users on an appropriate ad space and that integrity of advertising is maintained.

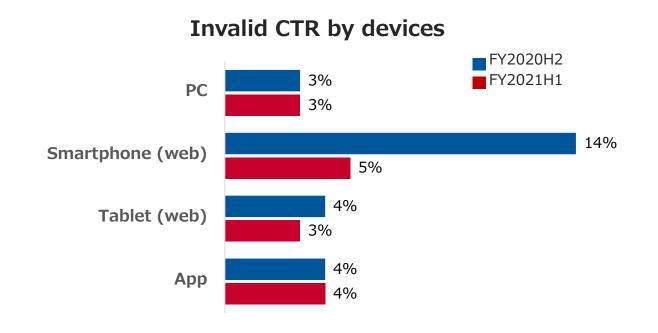
The purpose of this monitoring is to eliminate invalid traffic.

Some of the invalid traffic is unintended but it includes "ad fraud," such as invalid impression and clicks by bots that deceive advertising cost.

Yahoo! JAPAN carries out traffic quality management for advertisements by regularly monitoring the entire ad network.

Invalid click detection results





In the first half of FY2021, the percentage of invalid clicks detected decreased from the second half of FY2020.

The ad spaces on smartphones (web) have been generating invalid traffic from particular cloud servers for a long time. The detection and elimination rate of this traffic was higher than other devices. As a result, it raised the overall percentage of invalid clicks, but in the first half of FY2021, it dropped to the same level as other devices.

Other Plans for Ad Places

Announcement of JICDAQ* certification

*Japan Joint Industry Committee for Digital Advertising Quality & Qualify

https://www.jicdaq.or.jp/

We have been reporting about the collaboration with JICDAQ and our participation in its prelaunch preparatory committee. We have acquired quality certification in digital advertising in two business areas in November 2021.

The two business domains are ad network operators (Yahoo! JAPAN Ads) and media operators (Yahoo! JAPAN, etc.), and we have acquired certification for "brand safety" and "invalid traffic countermeasures." Approved by Japan Audit Bureau of Circulations, which is in charge of the verification and confirmation of JICDAQ certification, and through a "third party verification" objective by a third party organization for conformity certification deliberation at JICDAQ.

We will continue to make every effort to ensure that Yahoo! JAPAN Ads and the Yahoo! JAPAN media is used as ad spaces with assurance.





Yahoo! JAPAN acquired JICDAQ certification as a company that works to ensure the quality of digital advertising (November 1, 2021)

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Announcement of the release of the DoubleVerify fraud detection system

To further improve the quality of Yahoo! JAPAN Ads, we completed installing a Pre-bid fraud detection system that enables us to eliminate ad fraud and control brand safety in real-time. The detection system uses technology from DoubleVerify, a global leader in ad-verification measurement.

In addition to using Yahoo JAPAN's analytics data to confront ad fraud, DoubleVerify will apply the decision logic learned and defined from global traffic to Yahoo! JAPAN Ads network. From the brand safety perspective, because we can perform the content analysis in real-time than before, we can make more accurate judgments of sites with fluid content based on posts by users.



Yahoo! JAPAN launches real-time fraud analysis function to eliminate ad fraud and ensure brand safety in collaboration with DoubleVerify (December 2, 2021)
https://about.yahoo.co.jp/pr/release/2021/12/02b/

