



Transparency Report on Advertising Service Quality

Yahoo Japan Corporation
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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

Yahoo! JAPAN Ads Account Review Guidelines

To prevent inappropriate advertisements, Yahoo! JAPAN reviews each "ad account" at the time of application. We have released "Yahoo! JAPAN Ads Account Review Guidelines" in April 2022 to ensure the quality and transparency of our ads.*

Yahoo! JAPAN Ads Account Review Guidelines consist of three chapters: guideline related to review before creating accounts and guideline related to review after creating accounts.

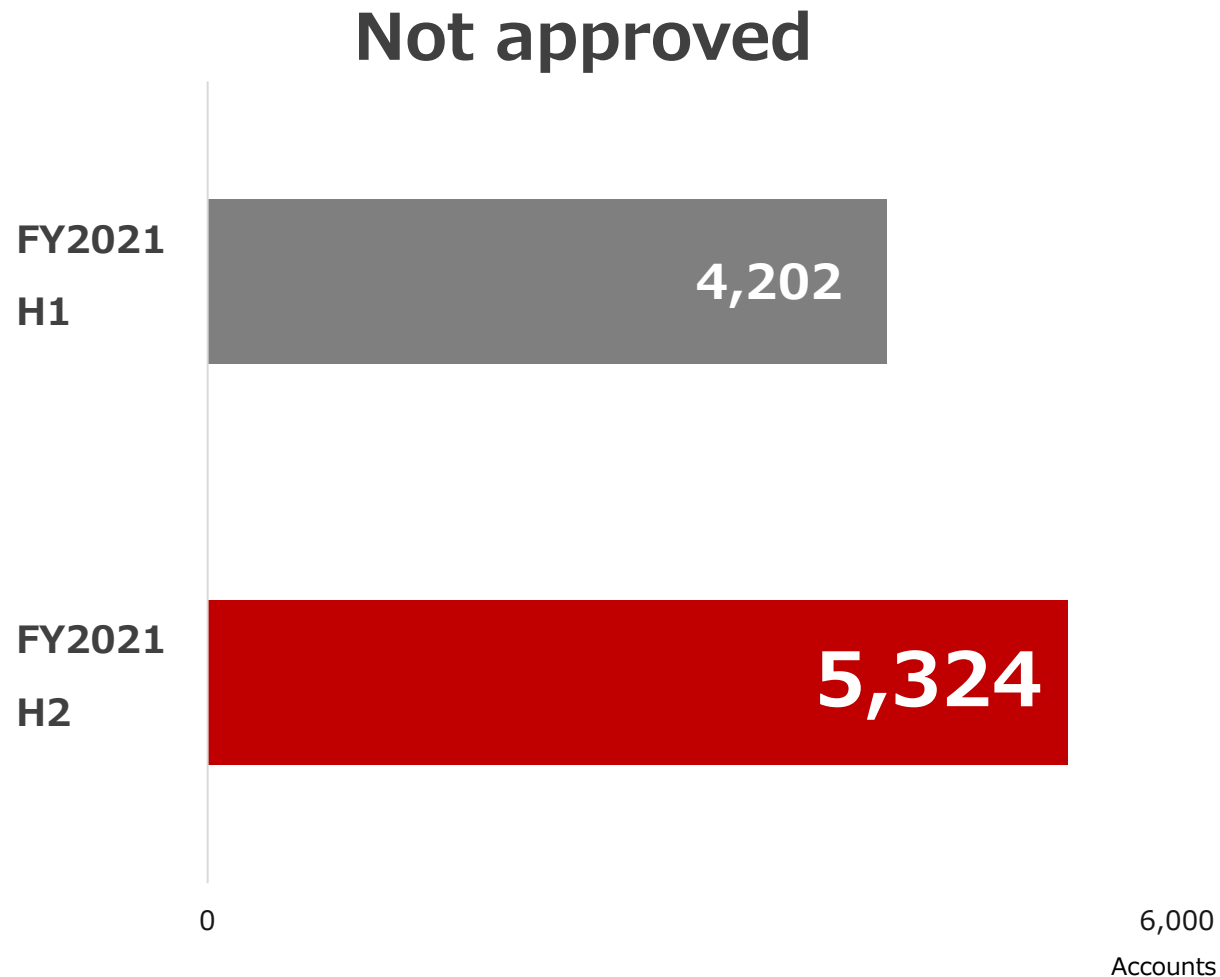
Yahoo! JAPAN Ads Account Review Guidelines

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*Account Review Guidelines released (effective from 4/12/2022) https://ads-promo.yahoo.co.jp/support/announce/30294435.html#article_en
This is not the release of new Guidelines, but the release of previously applied Account Review Guidelines.

Results from ad account review (half year comparison)



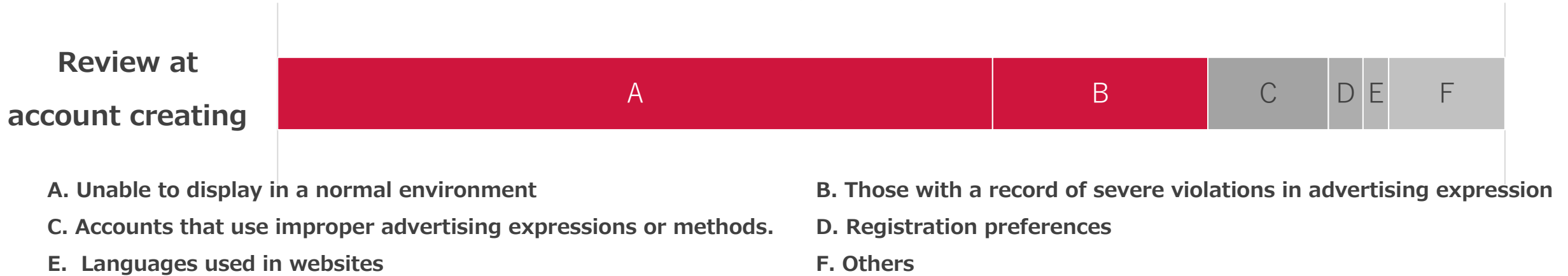
In the second half of FY2021, 5,324 accounts*1 were disapproved (accounts were rejected or suspended due to violations of Yahoo! JAPAN Ads Account Review Guidelines).

Compared to the first half of FY2021, the percentage of disapprovals has not changed significantly*2, and the number of disapprovals has increased due to an increase in the number of new accounts created.

*1: Total number of disapprovals that violated Yahoo! JAPAN Ads Account Review Guidelines

*2: No impact on the number of disapprovals due to the release of the Guidelines because that have been applied for some time

Breakdown of reasons for disapproval based on account review (review before creating accounts)



The review before creating accounts in the second half of FY2021 was marked by "Unable to display in a normal environment" and "Those with a record of severe violations in advertising expression" disapprovals.

We will refuse to create an account if the site is unable to display in a normal environment, or if viewing is controlled by ID or password, because we will not be able to properly review the site.

"Those with a record of severe violations in advertising expression" is an ad review* that began in February 2021 in terms of Yahoo! JAPAN Advertisement Editorial Guidelines (hereinafter referred to as the "Editorial Guidelines"). If you are promoting a target product with a record of severe violations in advertising expression in the past, we will not allow you to create an account.

*Start of ad review based on record of severe violations (effective from 2/8/2021) https://ads-promo.yahoo.co.jp/support/announce/872532.html#article_en

Breakdown of reasons for disapproval based on account review (review after creating accounts)

Review after
account creating



- A. Accounts that may perform unauthorized advertising judging from account registration preferences
- B. Repeatedly creating accounts that have a history of violations.
- C. Create ads that violate Chapter 4 of Yahoo! JAPAN Advertisement Editorial Guidelines
- D. Creating a large volume of ads that violate Yahoo! JAPAN Advertisement Editorial Guidelines
- E. Others

The majority of disapprovals for reviews after creating accounts in the second half of FY2021 was "Accounts that may perform unauthorized advertising judging from account registration preferences." For example, if the registration information on an account shows a match with a fraudster who has committed fraud in the past, the account is suspended due to concerns about unauthorized advertising.

There was also notable disapprovals that fell into the "Repeatedly creating accounts that have a history of violations." Repeated account creation by advertisers who have been judged inappropriate in the past will not be accepted.

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.

These Guidelines are constantly being revised to reflect changes in laws and social conditions.

On January 13, 2022, we began applying the new guidelines to several review process, including setting guidelines for targeting settings in political party advertisements.*1 In addition, we have also changed and clarified our judgment on creative and website expression for political party advertisements.*2

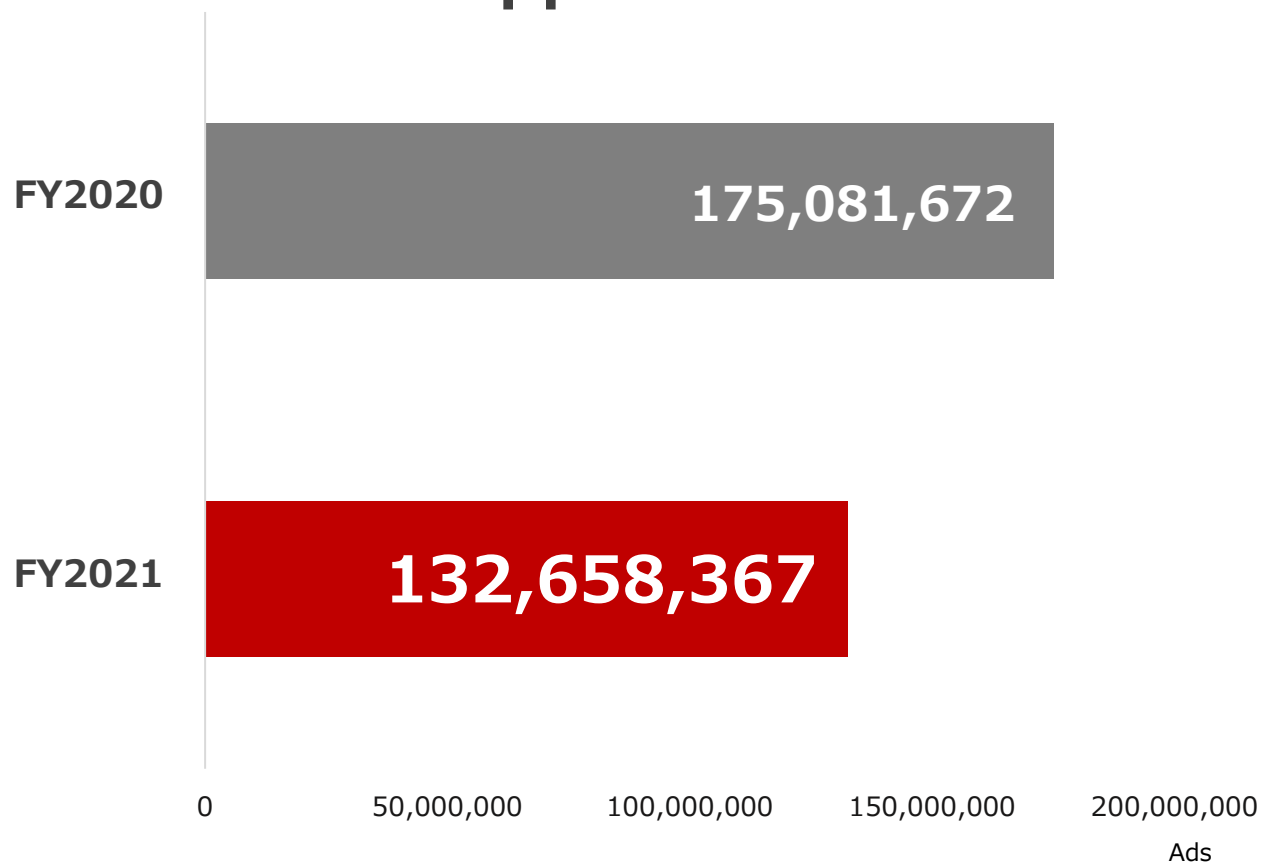
Our trained staff and systems review the ads 24 hours a day throughout the year based on the Advertisement Editorial Guidelines from before the ad is applied to after the ad delivery starts.

*1: Change in Advertisement Editorial Guidelines https://ads-promo.yahoo.co.jp/support/announce/30233862.html#article_en

*2: 広告掲載基準「政党」の判断基準変更のお知らせ (2022/5/25適用開始) (Available in Japanese) <https://ads-promo.yahoo.co.jp/support/announce/30299852.html>

Results from ad review (year comparison)

Not approved



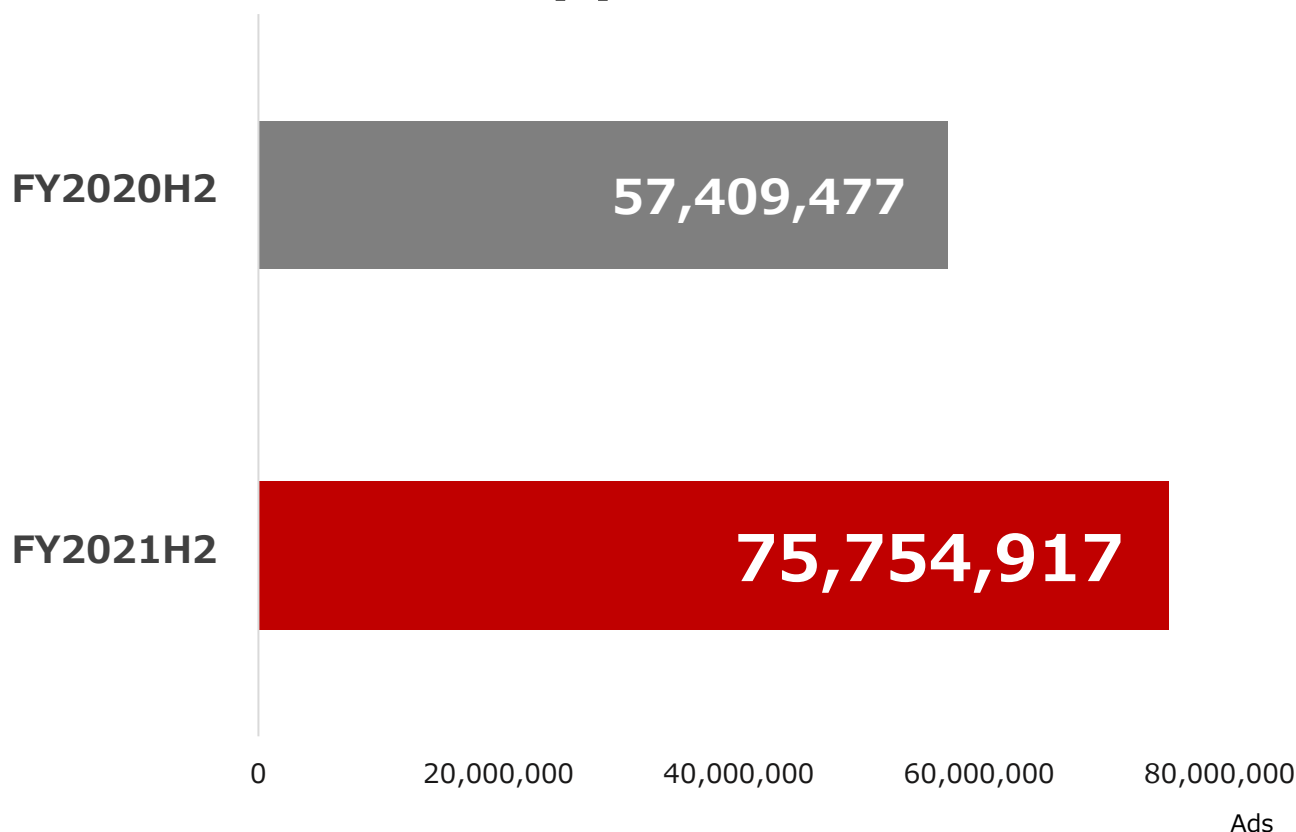
In FY2021, we rejected approximately 130 million ad creatives* on Yahoo! JAPAN Ads.

Compared to FY2020, the percentage of disapprovals in ad creation dropped. Resulting in a significant decrease in the number of disapprovals. This decrease was mainly due to our educational activities to promote understanding of the Guidelines that lead the advertisers to modify their expressions.

* 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.

Results from ad review (half year comparison)

Not approved

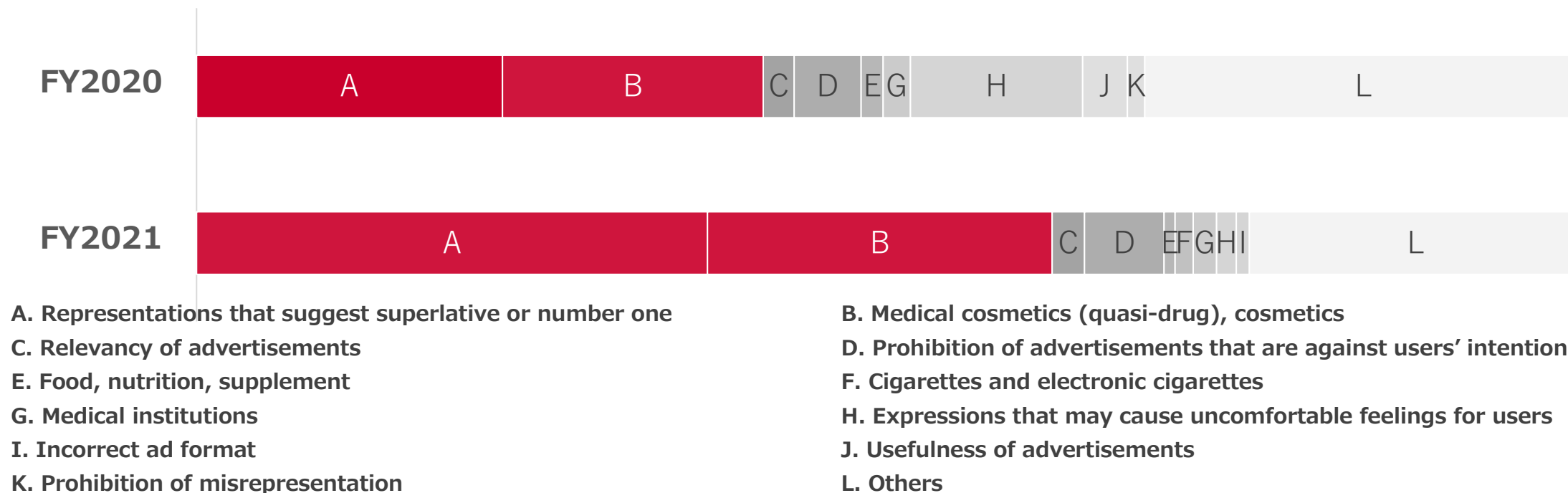


In the second half of FY2021, we rejected approximately 75 million ad creatives* on Yahoo! JAPAN Ads.

The number of disapprovals increased significantly compared to the second half of FY2020. This was due to the occurrence of advertisers creating a large volume of disapproved ads for certain products.

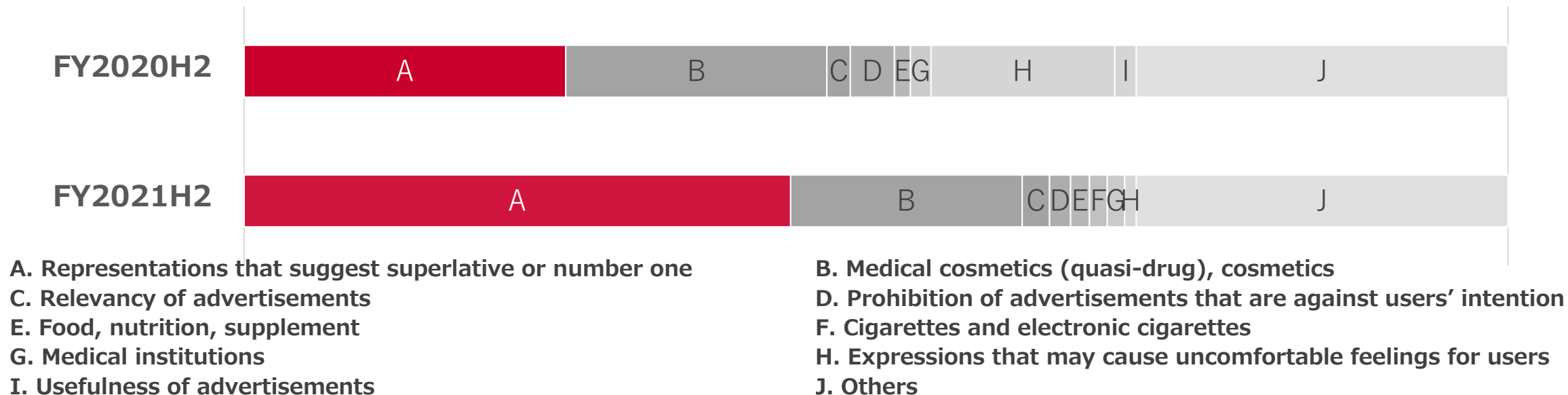
*The total number of titles, descriptions, images, destination website, and keywords that were rejected due to violation of Yahoo! JAPAN Advertisement Editorial Guidelines, Ad insertion rules, and Sales restrictions.

Breakdown of reject reasons (year comparison)



In FY2021, both the percentage and the number of disapprovals under "Representations that suggest superlative or number one" and "Medical cosmetics (quasi-drug), cosmetics" increased. The main reasons for the increase in "Representations that suggest superlative or number one" are that a large number of ads were created by certain advertisers, which resulted in a large number of disapproved ads, and in "Medical cosmetics (quasi-drug), cosmetics," a new expression was disapproved.

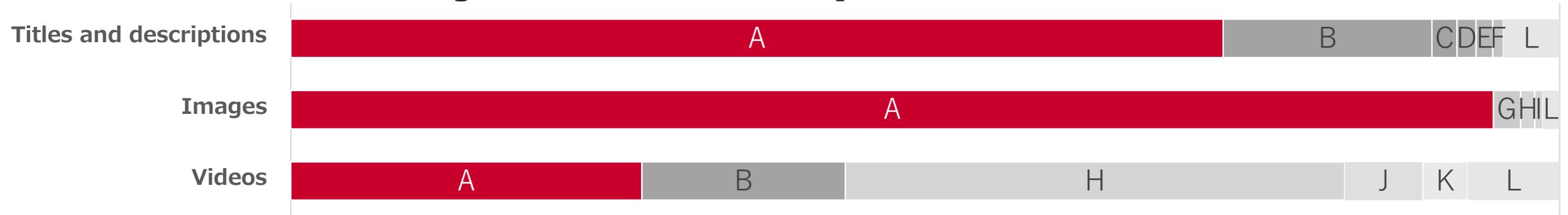
Breakdown of reject reasons (half year comparison)



Comparing the second half of FY2021 to the second half of FY2020, there was a marked increase in disapprovals under “Representations that suggest superlative or number one.” On the other hand, the number of disapprovals under "Expressions that may cause discomfort to users" decreased significantly. In FY2020, we announced the guideline of review for expressions related to complexes to the public*, and advertisers' understanding of the guidelines and modification of expressions progressed, resulting in a decrease in the creation of ads with inappropriate expressions in the second half of FY2021.

*Reviews on expressions related to inferiority complex https://ads-promo.yahoo.co.jp/support/announce/849438.html#article_en

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. Ads that may be contrary to social norms or public order and morals, and infringe the rights of others, etc.
- E. Website with sexual contents for adults
- F. Medical institutions
- G. Representations for consumption tax
- H. Expressions that may cause uncomfortable feelings for users
- I. Clear indication of advertisers
- J. Expressions which may give a false impression
- K. Pharmaceuticals/medicated cosmetics and medical devices
- L. Others

In the second half of FY2021, a majority of ad titles and descriptions were rejected under "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 "Expressions that may cause discomfort to users."** In the promotion of cosmetics and health food products, we found expressions that may cause discomfort to users by using expressions that made some physical features seem complex.

Review of ad places/
Review of ad traffics

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.

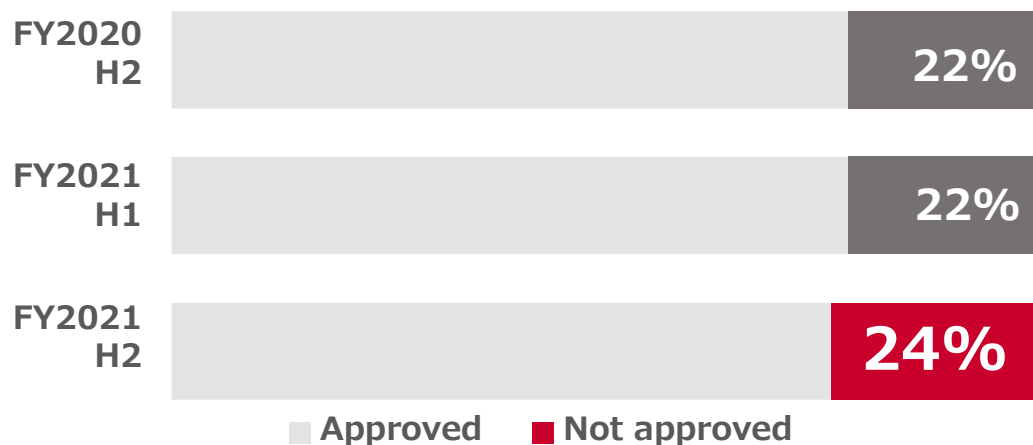
In both cases, we take measures through the review in advance of sites and apps where the ads are delivered and continuous patrols after the start of ad delivery.

Review of ad places

Brand safety

Brand safety: Results of pre-review of ad spaces

Results of pre-review of ad spaces



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

Breakdown of reasons for disapproval of pre-review

FY2021H2



- 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

In the second half of FY2021, the rate of rejected pre-review of ad spaces was approximately 24%.

The reason for the increase in the percentage of disapprovals is due to an increase in the number of cases falling into the "Unclear indication of a person or business" in the pre-review of apps. In the case of apps, we require that the operating business can be verified within the app or app store. If not, the app will be disapproved.

Brand safety: Results of patrolling the ad places

Even when an ad place (media, site) has been approved in the pre-review and ad delivery starts, we continue to patrol the site URL. There are cases in which "themes" that the ad place handles, such as news and entertainment information, are changed to content that violates the guideline after pre-review and the entire domain is disapproved. Also cases in which there is no problem with the quality of the theme, but some categories or URLs are found to contain offending content and are partially blocked.

FY2021 Ad places Number of sites disapproved

Approx. 3,000

*Number of sites that blocked the entire domain
*Number of sites that includes individual blogs, etc.

FY2021 Ad places Number of URLs blocked

Approx. 250,000

Review of ad traffics

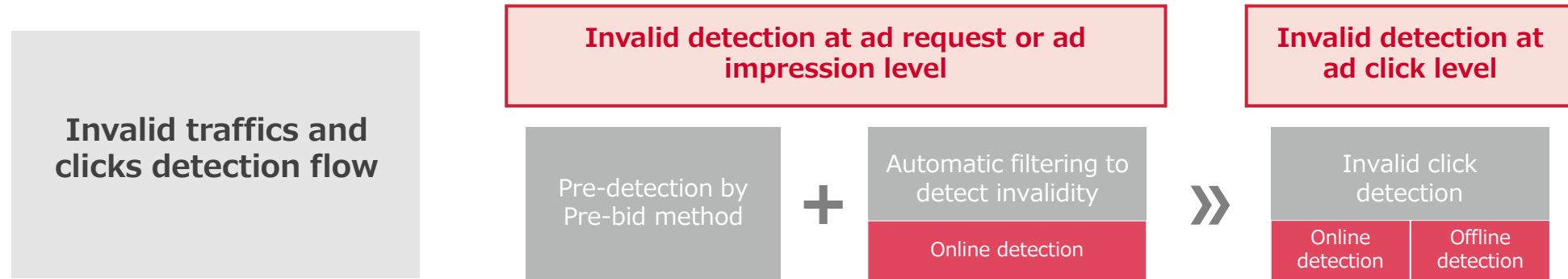
Ad Fraud Prevention

Ad Fraud Prevention

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

This quality management eliminates invalid traffics (ad requests and ad impressions) and invalid clicks.

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



Invalid traffics and clicks detection flow

Invalid detection at ad request*1 or ad impression level

The percentage of invalid ad requests and ad impressions detected by the Pre-bid method*2 and automatic filtering was 1.6% of the total number of ad requests.

Percentage of detection by device



(Actual: March 2022)

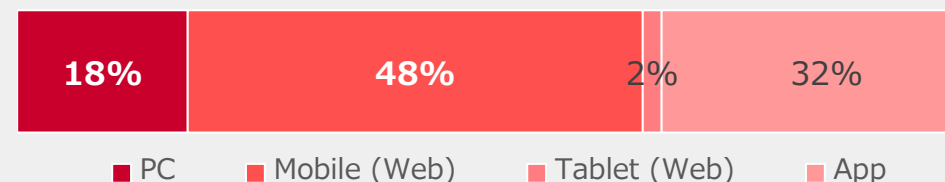
*1: An ad request is a "request to display an ad" that occurs before the ad is displayed on the ad place and becomes visible.

*2: The Pre-bid method is an anti-fraud method that determines invalid traffic at the timing of an ad request and hides the ad if it is invalid.

Invalid detection at ad click level

There were 3.7% of invalid clicks as a percentage of total ad clicks.

Percentage of detection by device



(Actual: March 2022)

The number of invalid clicks detected in advance in the second half of 2021 was approximately 4.5 billion yen in terms of advertising costs. This amount is processed as non-billing so that it doesn't become a cost to the advertiser.

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