

Transparency Report on Advertising Service Quality 2022H2

Yahoo Japan Corporation June 2023



About this report

Yahoo! JAPAN undertakes several procedures that improve the quality and transparency of our services.

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.

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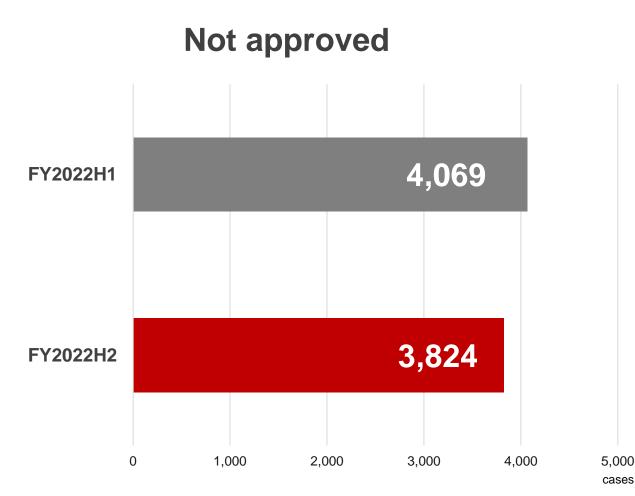
Ad review

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Ad account review

Results from ad account review (half year comparison)



To prevent inappropriate advertisements, Yahoo! JAPAN reviews each "ad account" at the time of application. This review is done based on the "Yahoo! JAPAN Ads Account Review Guidelines" *1 (hereinafter referred to as the "Account Review Guidelines").

In the second half of FY2022, **3,824 accounts***2 were disapproved (accounts were rejected or suspended due to violations of Yahoo! JAPAN Ads Account Review Guidelines).

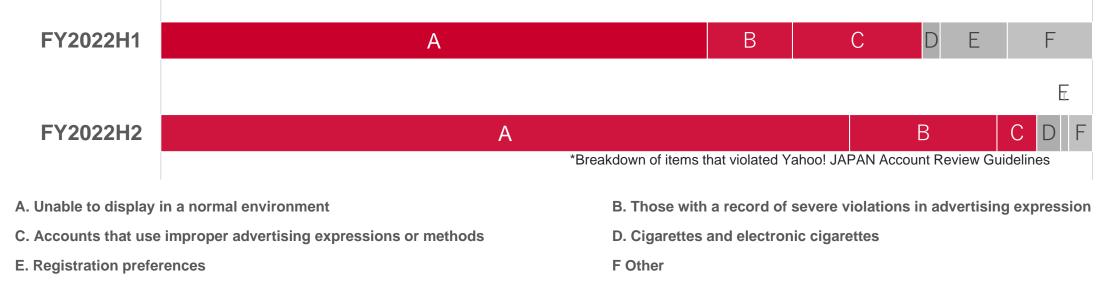
Accounts are reviewed not only when a new account is created, but also at all times after the account is created, 24 hours a day, all year, by our review staff and system.

Guidelines https://s.yimg.jp/images/listing/pdfs/en_accountreviewguidelines.pdf
Yahoo! JAPAN Ads https://ads-help.yahoo-net.jp/s/guideline-account?language=en_US
Explanatory video (available in Japanese) https://ads-promo.yahoo.co.jp/online/accountreview.html

^{*1} Yahoo! JAPAN Ads Account Review Guidelines

^{*2} Total number of disapprovals that violated Yahoo! JAPAN Ads Account Review Guidelines

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

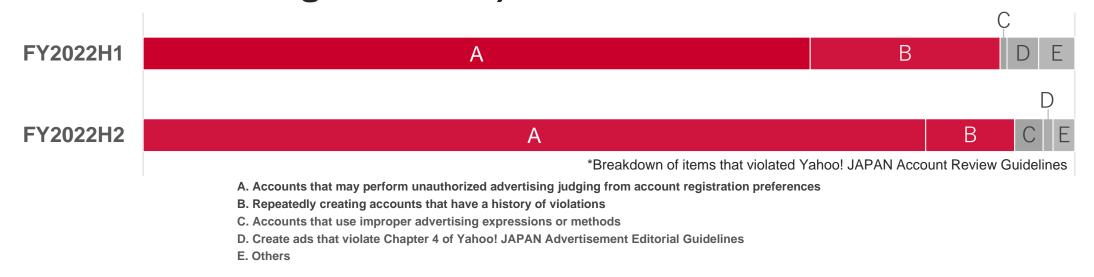


In reviews of opening accounts in **the second half of FY2022**, there was an increase in disapprovals of "**Unable to display in a normal environment**," such as error messages that appear when a site does not exist. You can check the website's display and avoid being disapproved, we encourage advertisers and agencies to check the display in advance. *

The proportion of disapproved cases for the reasons of "advertising expressions that have a history of serious violations" and "improper advertising expressions or methods" reversed from the previous term. Among the decrease in ads using improper advertising expressions or methods, disapprovals of those that may violate "Restrictions imposed by the Pharmaceuticals and Medical Devices Law" decreased in particular.

^{*}Checklist for what cannot be displayed in a normal environment (available in Japanese): https://ads-promo.yahoo.co.jp/online/accountreview.html

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



The number of disapprovals for the review after creating accounts in **the second half of FY2022** increased based on the "Accounts that may perform unauthorized advertising judging from account registration preferences." This is due to enhanced identification verification for some advertisers of living rescue services that became effective from October 17, 2022. (Details on page 8)

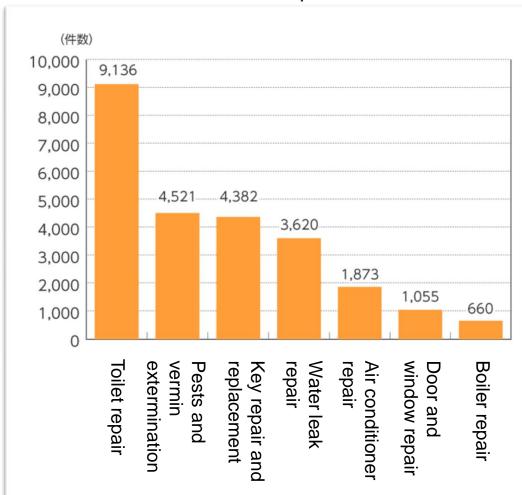
On the other hand, disapprovals under the Guideline of "Repeatedly creating accounts that have a history of violations" decreased significantly. This is due to the decrease in requests to open accounts from certain advertisers that violate this standard.

^{*}Review response to prevent problems of living rescue services (available in Japanese): https://ads-promo.yahoo.co.jp/support/announce/30367636.html

Responding to social conditions (living rescue services)

Living rescue services

Number of consultations per service*1



The National Consumer Affairs Center of Japan (NCCJ) has announced **an increase in consumer troubles** in the so-called "living rescue service," a business that visit customers' homes to deal with problems in their daily lives such as water leakage.

To respond to this situation, we have strengthened measures to protect consumers by notifying certain advertisers that posted ads for the living rescue service, that we will strengthen identification verification and that we will suspend their accounts if we receive multiple reports of user problems related to service provided*2.

Source: National Consumer Affairs Center (Accepted for FY 2018-2022, PIO-NET registration by February 28, 2023)

^{*1} Source (available in Japanese): "Leaks, locks, toilet repair... beware of emergency rush service problems!" (Public Relations Office of the Government of Japan) https://www.gov-online.go.jp/useful/article/201906/1.html

^{*2} Review response to prevent problems of living rescue services (available in Japanese): https://ads-promo.yahoo.co.jp/support/announce/30367636.html

Ad creative review

About ad reviews

Yahoo! JAPAN reviews each ad creative to prevent inappropriate ads.

In this screening process of review, we use Yahoo! JAPAN Advertisement Editorial Guidelines *1 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 reviewed and applied the new Advertisement Editorial Guidelines on February 21, 2023. *2 As an example of the new standards, considering the recent administrative action under the Act Against Unjustifiable Premiums and Misleading Representations*3, we have established provisions concerning the ad postings by advertisers that have been subject to the action.

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

*1 Yahoo! JAPAN Advertisement Editorial Guidelines

Guidelines: https://s.yimg.jp/images/listing/pdfs/Advertisement_Editorial_Guidelines.pdf

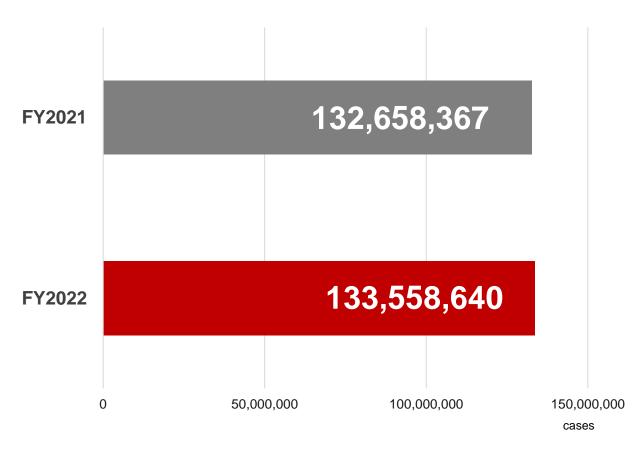
Yahoo! JAPAN Ads: https://ads-help.yahoo-net.jp/s/guideline-editorial?language=en_US

*2 Change in Advertisement Editorial Guidelines and Account Review Guidelines (Effective on February 21, 2023)

^{*3} Act against Unjustifiable Premiums and Misleading Representations

Results of ad creative review (year comparison)

Not approved

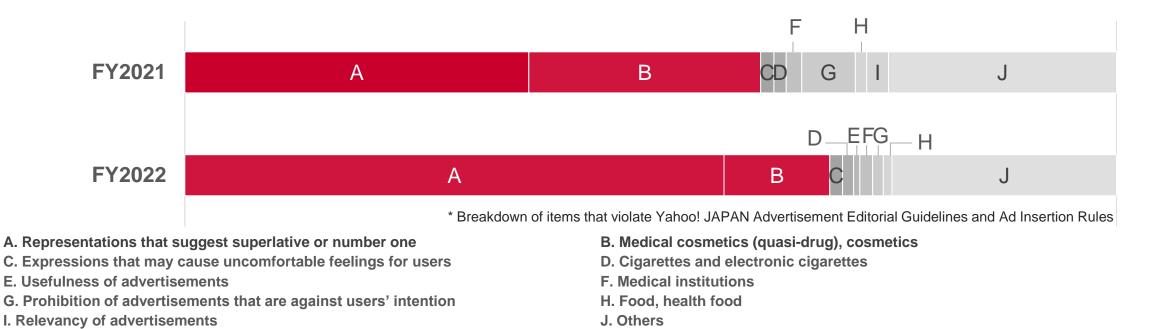


In **FY2022**, we rejected **approximately 130 million ad creatives*** on Yahoo! JAPAN Ads.

Although there was no significant increase or decrease in the number of disapprovals compared to **FY2021**, we are effectively reviewing ads by introducing a scalable and sustainable review system in that reviewers and AI works together to ensure quality in the expanding advertising market.

^{*}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 of ad creative review (year comparison)

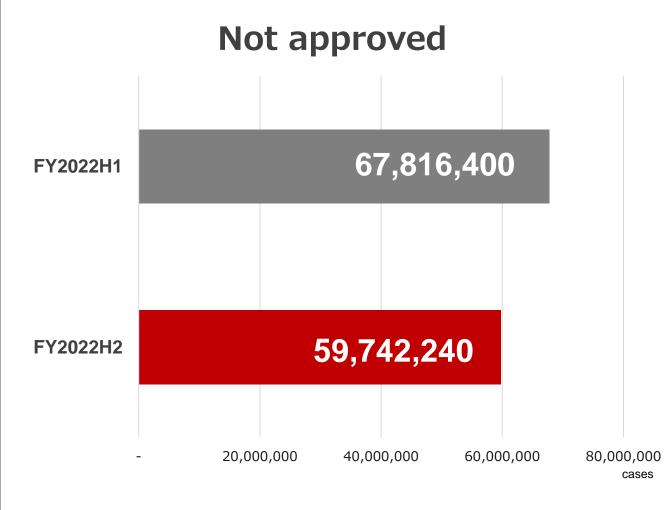


In **FY2022**, there was an increase in disapprovals under the "Representations that suggest superlative or number one expression" Guideline.

We require to describe with objective evidence when using the representations that suggest superlative when used in the ad creative. There were many ads of no indication of evidence.

On the other hand, disapprovals under the Editorial Guideline for "Medical cosmetics (quasi-drug), cosmetics" decreased. This decrease may be because of our promotion of understanding the Advertisement Editorial Guidelines to certain advertisers who repeatedly added many unapproved ads.

Review results from ad creative review (half year comparison)



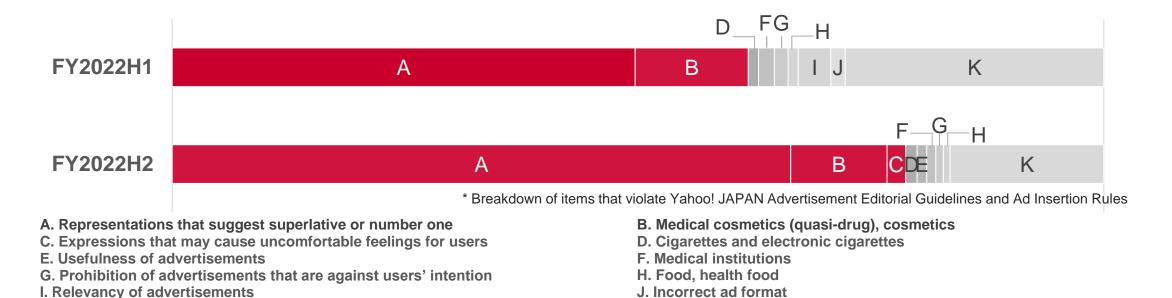
In the **second half of FY2022**, we rejected **approximately 59 million ad creatives*** on Yahoo! JAPAN Ads.

The number of disapprovals decreased compared to the **first half of FY2022**. This decrease may be because of our promotion of understanding the Advertisement Editorial Guidelines to certain advertisers who repeatedly added many unapproved ads.

We will continue to educate and promote understanding of the editorial guidelines towards advertisers.

^{*}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 of ad creative review (half year comparison)



In the **second half of FY2022**, unapproved ads under **the "Representations that suggest superlative or number one"** criteria increased due to a large volume of unapproved ads for certain ad type (Dynamic Ads for Display).

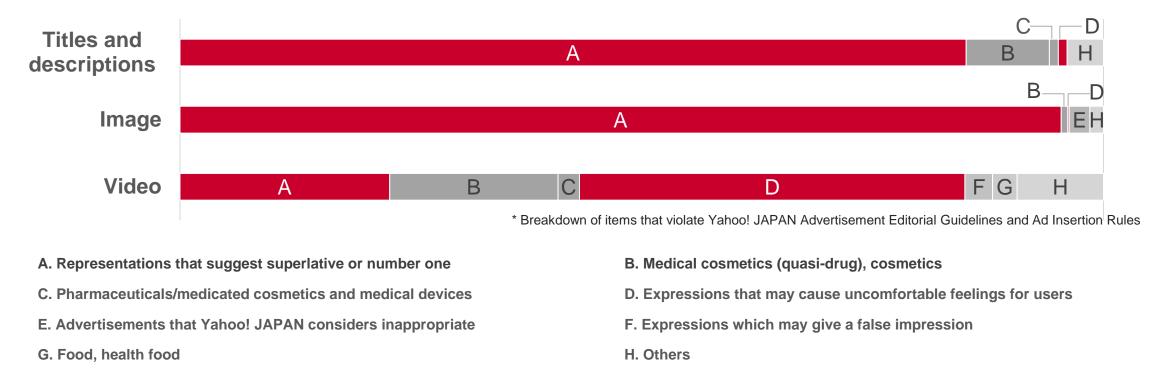
K. Others

On the other hand, the number of unapproved ads under the criteria for "Medical cosmetics (quasi-drug), cosmetics" decreased, but number of unapproved ads in medical cosmetics continue to be high.

The number of disapprovals under "Expressions that may cause discomfort to users" increased significantly.

Sexually explicit expressions, emphasis on human body parts, and expressions that stirred up a sense of fear were prominent.

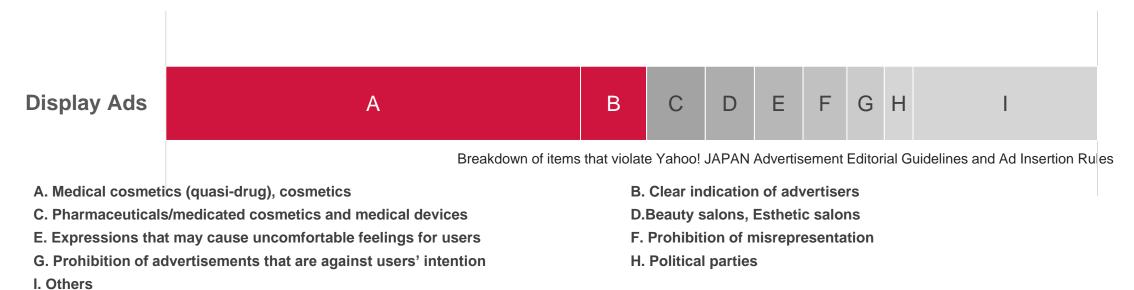
Breakdown of reject reasons by creatives of ad creative review



In the second half of FY2022, titles, descriptions, and images, the majority of disapprovals were based on the guideline "representations that suggest superlative or number one expression." In videos, disapprovals based on the guideline "expressions that may cause uncomfortable feelings for users" stood out. Unlike titles, descriptions, and images, this trend is probably due to the characteristics of videos that have motion.

Specific examples include sexually explicit materials, excessive emphasis on human body parts such as teeth and fingernails, horror or insect-themed games that are particularly frightening, and depictions of bullying in e-books that are disgusting and offensive to users.

Breakdown of reject reasons of ad creative review (Display Ads*)



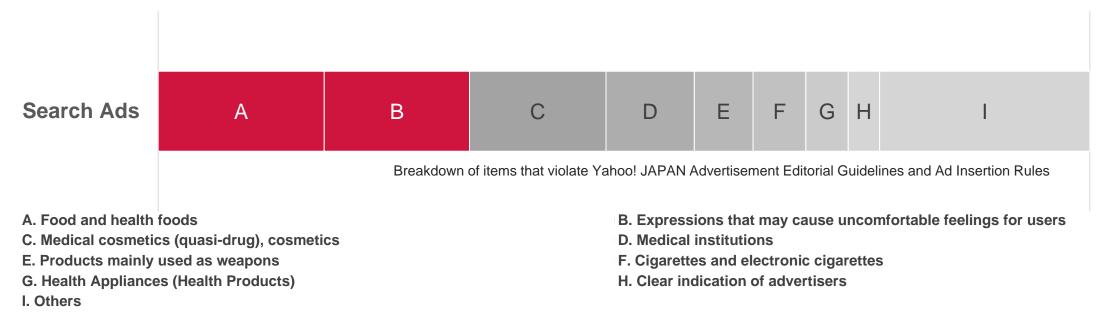
In **second half of FY2022**, disapprovals under "**Medical cosmetics (quasi-drug), cosmetics**" stood out. In medical cosmetics, in particular there were many unapproved ads regarding the expression of experiences on the linked websites.

In addition, unapproved ads of "Clear Indication of Advertisers" is also prominent because Display Ads require indicating the advertiser's name clearly in visible size.

What is Dynamic Ads for Display: https://ads-help.yahoo-net.jp/s/article/H000044698?language=en_US

^{*}Dynamic Ads for Display are excluded from this count because they tend to be unapproved for the lack of evidence of Superlative expression due to the ad type's specification that it is generated automatically.

Breakdown of reject reasons of ad creative review (Search Ads*)



Unlike Display Ads, Search Ads in the **second half of FY2022** showed more unapproved ads for "**Food and health foods**" criteria than for cosmetics. Many of the ads are pharmaceutical-like expressions of efficacy or imply enhancements or improvement of body functions.

There was also a notable number of rejections based on "Expressions that may cause discomfort to users." Because many Search Ads promote e-books on each book base, which leads to adding large numbers of ads, and many of them contain sexually explicit materials.

^{*}Dynamic Ads for Search are excluded because they are ads automatically generated.

Benefits of Dynamic Ads for Search and how it works: https://ads-help.yahoo-net.jp/s/article/H000044549?language=en_US

Other initiatives in ad review

Initiatives to maintain and improve ad quality

Results of user survey

Top 3 stressful ads

1	Ads with expressions that cause uncomfortable feelings Expressions of adult, inferiority complex, and violence	43.1%
2	Ads that are misleading Play/Pause button that does not work practically	40.0%
3	Ads with exaggerated expressions	31.8%

^{*}Only those who responded that they feel stressed by ads (multiple responses n=1,111)

As one of our efforts to maintain and improve the quality of ad services, Yahoo conducts surveys of users to obtain the user's objective opinions about the expressions used in ads.

The survey revealed that the ads that users find stressful are those listed on the left. Based on the results of this survey, we reiterated Yahoo's policy on advertising expression in a blog post. *

While listening to user opinions, we continue to update our guidelines keeping a good balance for both users and advertisers and that advertisers are not overly restricted to advertising.

^{* 70%} of users feel stressed! Yahoo! JAPAN's efforts to eliminate ad stress (available in Japanese): https://marketing.yahoo.co.jp/blog/post/2022083030335386.html

To maintain ad quality

In July 2022, digital advertising businesses were added to the scope of regulation in the Act on Improving Transparency and Fairness of Digital Platforms. In October, Yahoo! JAPAN was added as regulated company.

We have been working on transparency through this report and prepared pages on "Initiatives to improve ad quality,"*2 we have also released a new page on "Introduction of initiatives to improve transparency."*3

We will continue to take actions to achieve a higher level of transparency and fairness.

Press release*1



^{*1} Related press release (available in Japanese): https://about.yahoo.co.jp/pr/release/2022/10/03a/

^{*2} Related page on efforts to improve the quality of the advertising service (available in Japanese): https://marketing.yahoo.co.jp/strength/quality/

^{*3} Efforts on improving transparency (available in Japanese): https://marketing.yahoo.co.jp/policy/digitalplatformer/

Transparency Initiatives

Yahoo! JAPAN is undertaking a variety of initiatives to increase transparency. In FY2022, the following and other initiatives resulted in an approximately 26% decrease in the number of inquiries compared to the same period last year.

Content released to raise awareness of Advertisement Editorial Guidelines*1

 Created instructional video regarding "medical advertising" that receive many inquiries and disapprovals.

Renewal of Yahoo! JAPAN Ads Help*2

 Placed a search window in the detail page to make it easier to find the information.

Response by customer support

- Not only the reject reason, but also the rejected area (only for some ads) are notified
- Support staff notifies multiple rejected parts in a single inquiry
- Introduction of content*3 that explains the applicable rejected area



Yahoo! JAPAN Ads Help [Advertiser] Advertisement Editorial Guidelines: https://ads-help.yahoo-net.jp/s/guideline-editorial?language=en_US
Official learning portal (available in Japanese) https://ads-promo.yahoo.co.jp/online/guideline/

^{*1} Video explaining medical advertisements (available in Japanese): https://ads-promo.yahoo.co.jp/online/medical_doga.html

^{*2} Article on Yahoo! JAPAN Ads Help renewal (available in Japanese): https://marketing.yahoo.co.jp/blog/post/2023041830419762.html

^{*3} Example

Ad placement review/ Ad traffic review

About review of ad placements

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.

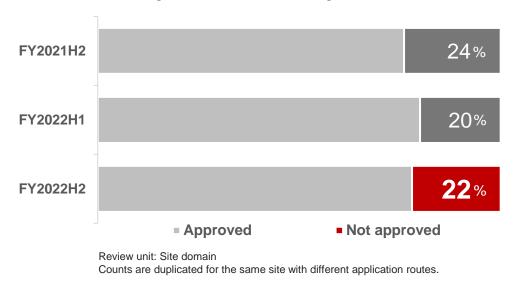
There are two initiatives regarding ad places: one is to detect and eliminate the "ad fraud" of access and click on ads by bots to deceive advertising money. The other is "brand safety," which prevents ad delivery on illegal sites and other inappropriate content.

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.

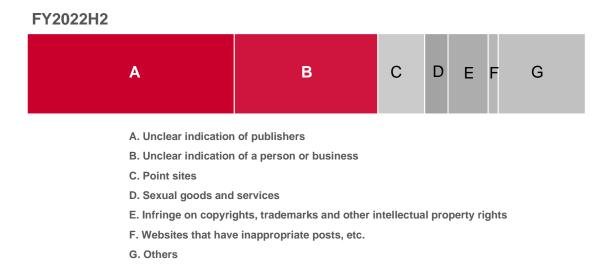
Review of ad placements [Brand safety]

Brand safety: Results of pre-review of ad placements

Results of pre-review of ad placements



Breakdown of reasons for disapproval of pre-review



In the second half of FY2022, the rate of rejected pre-review of ad placements was approximately 22%.

More than half of the reasons for disapproval are "Unclear indication of publishers" and "Unclear indication of a person or business" the same as the first half of FY2022.

The number of sites disapproved due to "Infringe on copyrights, trademarks and other intellectual property rights" is increasing, but this mainly applies to sites that were disapproved after detecting screen captures and other content suspected of copyright infringement during the screening of image content posted on the site.

Brand safety: Results of patrolling the ad places

The number of patrols after the advertisements were posted increased approximately 2.6 times compared to the first half of FY2022 in the "Number of sites disapproved" that stop entire domains. This is due to more stringent patrolling of images on the ad placements. As a result, the number of blocks per URL decreased to about 30% of those in the first half of the same period.

Number of sites disapproved

FY2022H1 Approx. 800

FY2022H2 Approx. 2200

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

Number of URLs blocked

FY2022H1 Approx. 110,000

FY2022H2 Approx. 30,000

*Number of blocks by dedicated judges

Number of suspended sites and blocked URLs

Even when an ad place (media, site) has been approved in the pre-review and ad delivery starts, we continue to patrol after the ad delivery starts. When a "theme" such as news or entertainment information on the ad placement page changes to content that violates the criteria after prereview, and the entire domain is disapproved, the case will be categorized as "sites disapproved." Even when there is no problem with the quality of the "theme" but some categories or URLs contain offending content and the ads are partially paused, the case will be categorized as "URLs blocked."

Review of ad traffics [Ad fraud prevention]

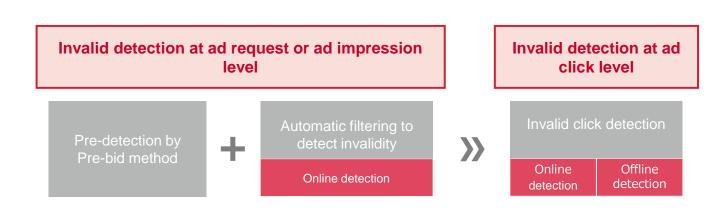
Ad fraud prevention

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 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 1.5% of the total number of ad requests.

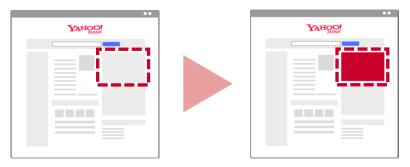
FY2022H2 Percentage of detection by device



What is invalid detection at ad request and ad impression level?

The order that advertisements are displayed is that when a user visits a site, the page is displayed first, and then the ad is displayed in the ad space (dotted line in the figure). This whole event takes place at a speed that is invisible to the human eye.

This detection of invalidity at the time just before the ad is delivered is the result of "Invalid detection at ad request or ad impression level." If invalidity is detected at this time, the ad will not be delivered to the page.



^{*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.

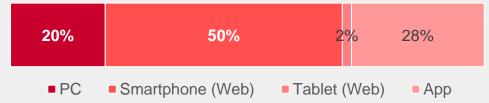
^{*2:} The Pre-bid method is an anti-fraud method that determines invalid traffic at the timing of an ad request and hides the ad if it is invalid.

Invalid traffics and clicks detection flow

Invalid detection at ad click level

There were **8.9%** of invalid clicks as a percentage of total ad clicks.

FY2022H2 Percentage of detection by device



The number of invalid clicks detected in advance in the second half of 2022 was approximately **8.3 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.

Breakdown of invalid click detection

Click-level detection identifies and detects **invalid** or **clicks likely to be invalid** based on a variety of signals.

We examine the source signals carefully at multiple layers, including IP addresses and device IDs. We will include figures of invalid clicks on a broader layer to the report, which we did not in the previous transparency reports.

As a result, the number of "invalid click detection" and the ad equivalent amount have increased, but **clicks in this range** are prevented in advance.

Other initiatives in Ad placement review/ Ad traffic review

Other initiatives

In addition to the transparency report, Yahoo! JAPAN actively shares information with advertisers, agencies, and partners to improve the quality of Yahoo! JAPAN Ads.

Learn more on ad fraud and brand safety in the following websites.

Ad fraud (available in Japanese)

https://marketing.yahoo.co.jp/strength/quality/diamond/adfraud/

Brand safety (available in Japanese)

https://marketing.yahoo.co.jp/strength/quality/diamond/brandsafety/

Article released in the second half of FY2022

Brand sustainability countermeasure features offered by Yahoo! JAPAN | Content keyword targeting (March 9, 2023) (available in Japanese)

https://marketing.yahoo.co.jp/blog/post/2023030930415103.html

