



Yahoo Japan Corporation

FY2014-3Q Business Results

(Oct. - Dec. 2014)

February 4, 2015

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Yahoo Japan Corporation has adopted International Financial Reporting Standards (IFRSs) beginning with the first quarter of the fiscal year ending 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 December 31, 2014.”

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Executive Summary for FY2014-3Q

■ Revenue: **¥107.5 billion (YoY +4.7%)**

Operating Income: ¥49.9 billion (YoY +0.3%)

■ **Business Outlook for FY2014-4Q**

Revenue: **¥112.1 - 114.1 billion**
(YoY +4.1% to +6.0%)

Operating Income: **¥48.7 - 50.7 billion**
(YoY +2.0% to +6.2%)

■ **FY2014 Year-End Cash Dividends Forecast:**
¥4.58 - ¥4.63 per share (YoY +3.4% to +4.5%)

Executive Summary for FY2014-3Q

■ Advertising-related revenue:

¥62.1 billion (YoY +5.4%)

- Display advertising revenue YoY growth rate: 19.2%
- Paid search advertising revenue YoY growth rate: -2.1%
- Smartphone advertising revenue ratio: 34.2%

■ e-Commerce transaction value:

¥324.4 billion (YoY +8.1%)

- e-Commerce transaction value through smartphones: 35.4%

FY2014-3Q

Financial Highlights

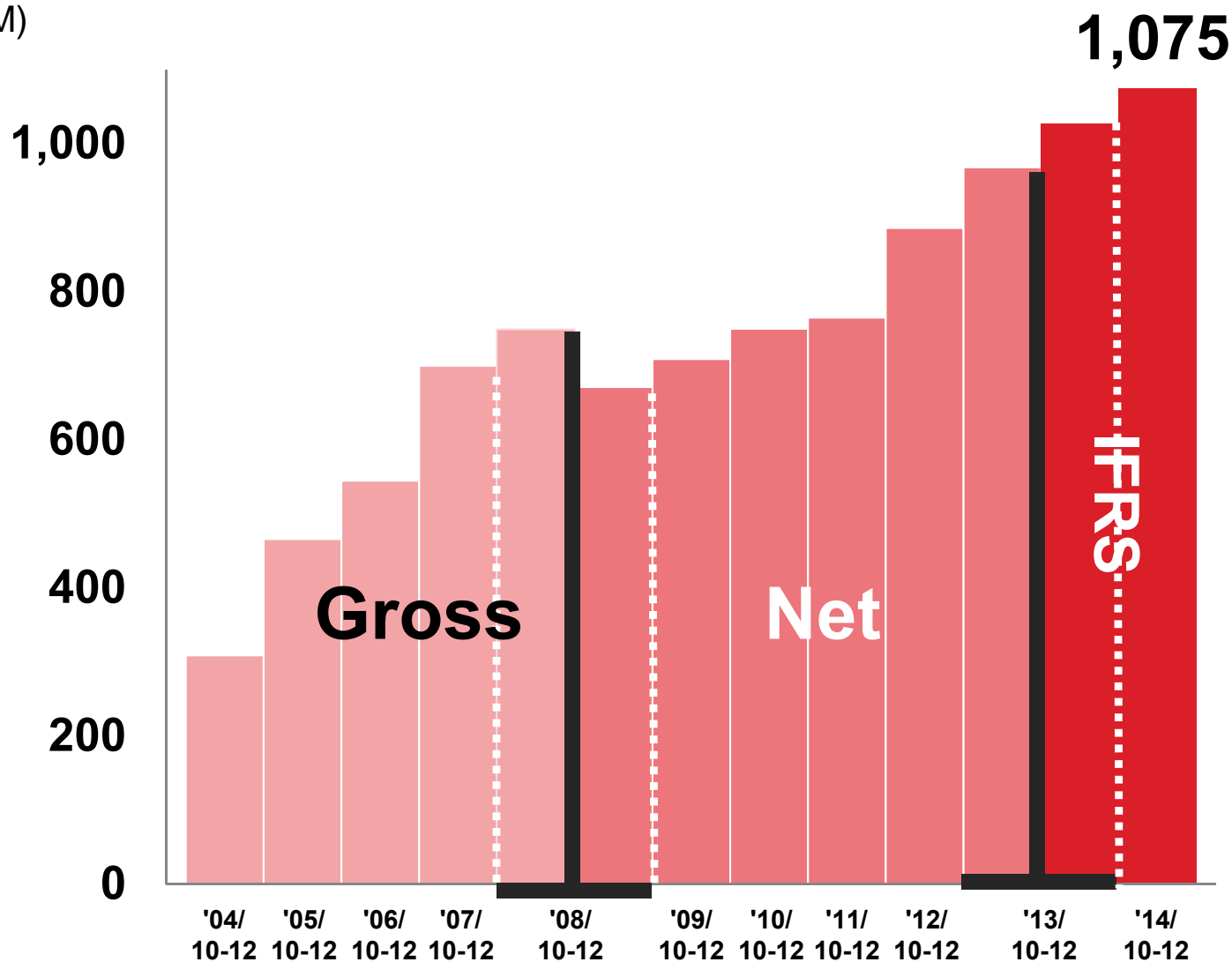
FY2014-3Q Financial Highlights

(¥100M)

	FY2013-3Q	FY2014-3Q	YoY Change	Change Contributors
Revenue	1,027	1,075	4.7%	<ul style="list-style-type: none"> * Advertising revenue from YDN and others grew. * Revenues from consolidated subsidiaries grew.
Operating Income	498	499	0.3%	<ul style="list-style-type: none"> * Traffic acquisition costs and content provider fees increased along with expanded advertising revenue. * Increase in number of employees resulted in a rise in personal expenses. * Depreciation expenses increased because of additional investments to strengthen security systems and expand big data business.
Income before Income Taxes	501	508	1.4%	-
Net Income <small>Attributable to Owners of the Parent</small>	314	334	6.5%	-

Quarterly Revenue Trend

(¥100M)

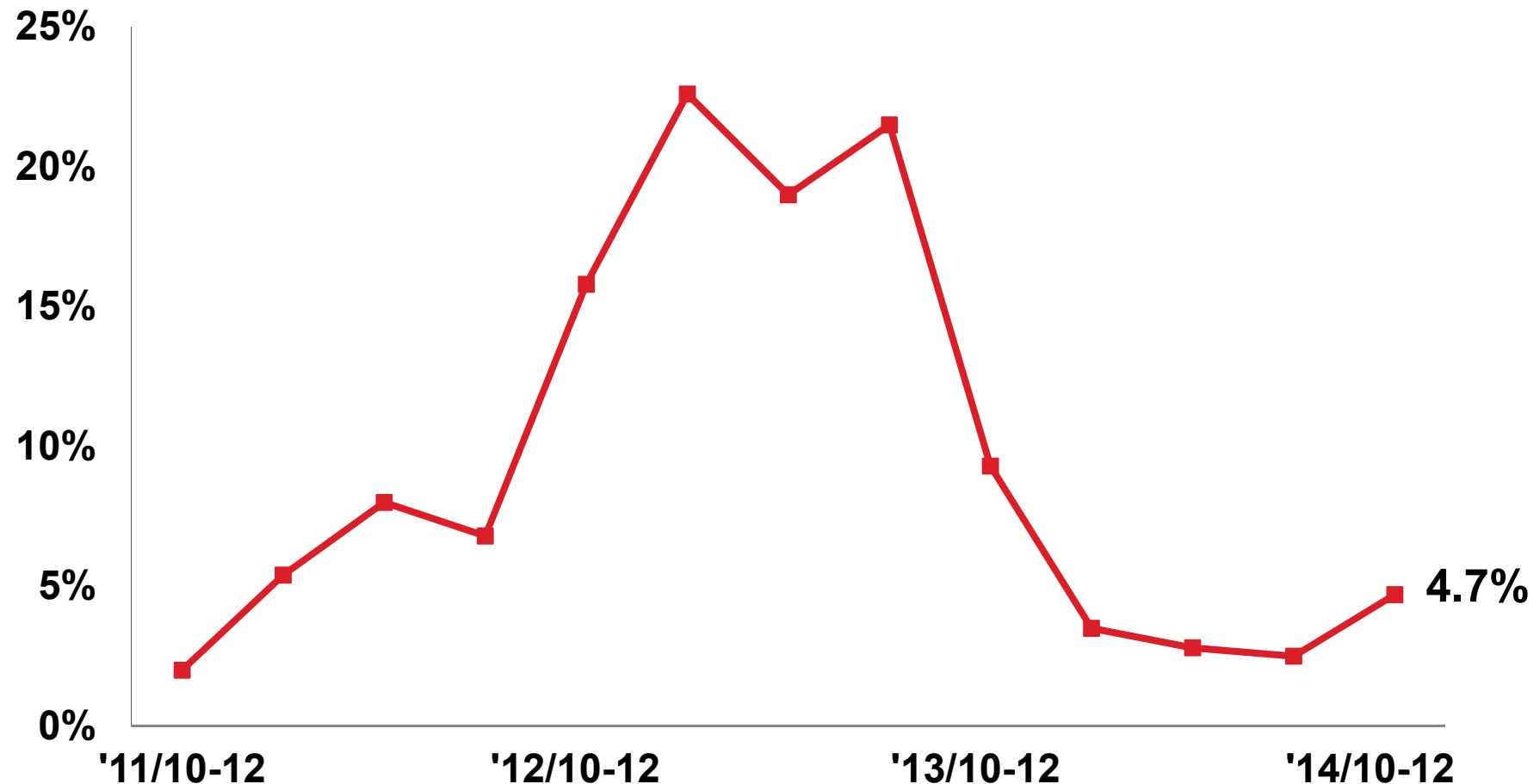


* The Company has adopted IFRSs beginning with FY2014.

* Between FY2008 and FY2013, we indicated revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A. The figure on a gross basis for '08/10-12 is included for your reference.

Quarterly Revenue YoY Growth Trend

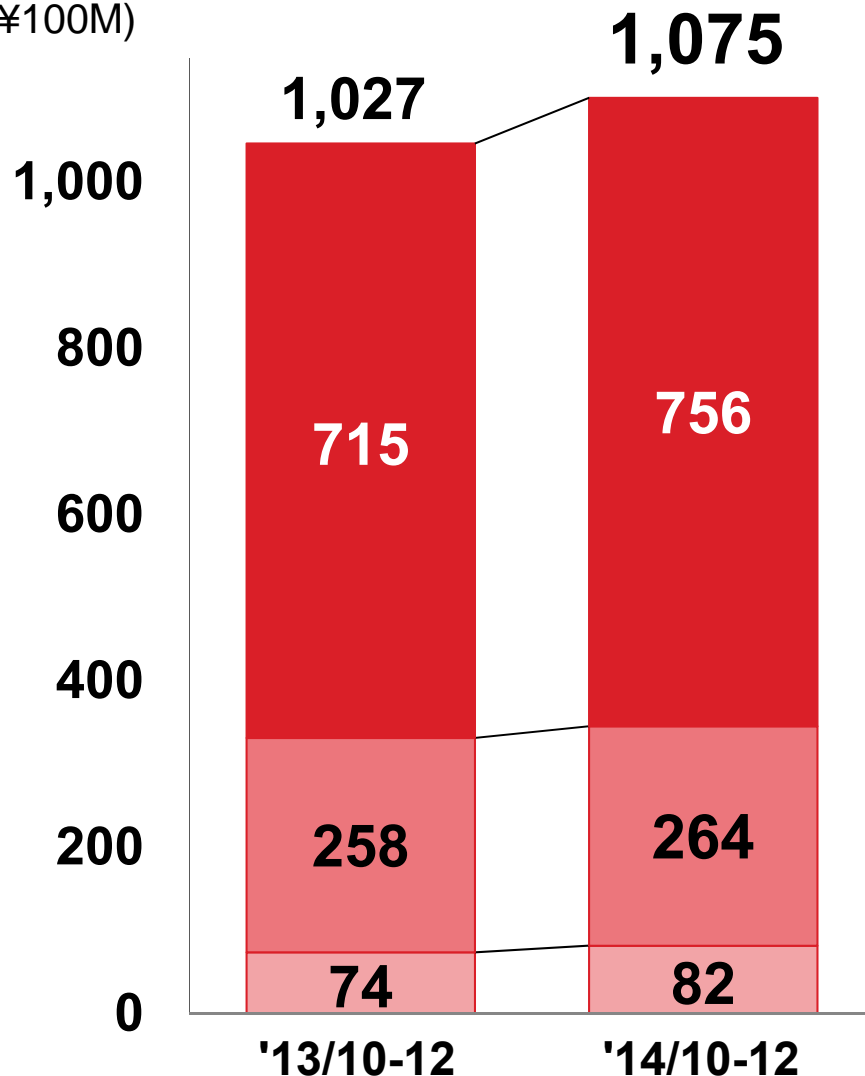
Revenue growth rate has improved because the negative impacts of our new e-commerce strategies have disappeared one year after their introduction and no longer affect YoY revenue comparisons.



* The Company has adopted IFRSs beginning with FY2014. Growth rates of '14/4-6 onward are calculated based on IFRSs.

Quarterly Revenue Breakdown

(¥100M)



Total **+47** (¥100M)
+4.7%

Marketing Solutions Business **+5.6%**

Advertising revenue grew.

Consumer Business **+2.5%**
A year after initiating new e-commerce strategies, negative impacts have disappeared and no longer affect YoY revenue comparisons.

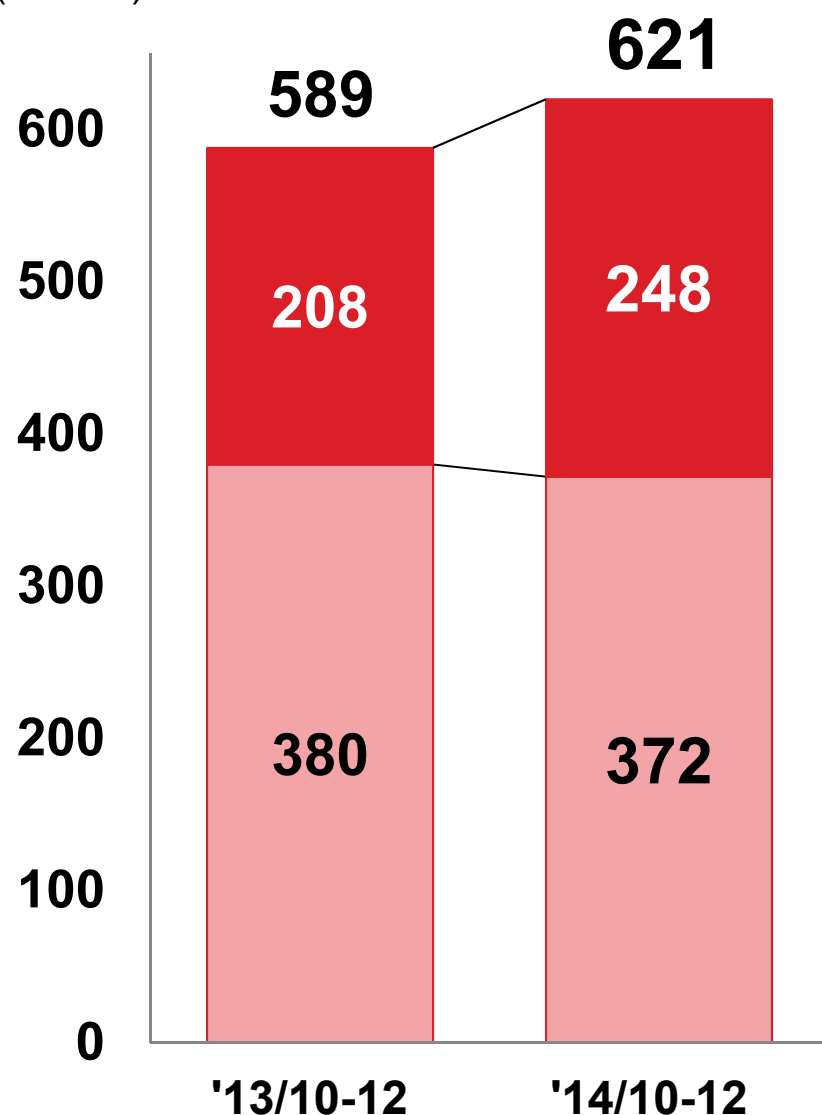
Other Business **+10.5%**

* Figures for Adjustments are not shown on the chart.

* In cases where major services have been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

Quarterly Advertising-related Revenue

(¥100M)



Total **+32** (¥100M)
+5.4%

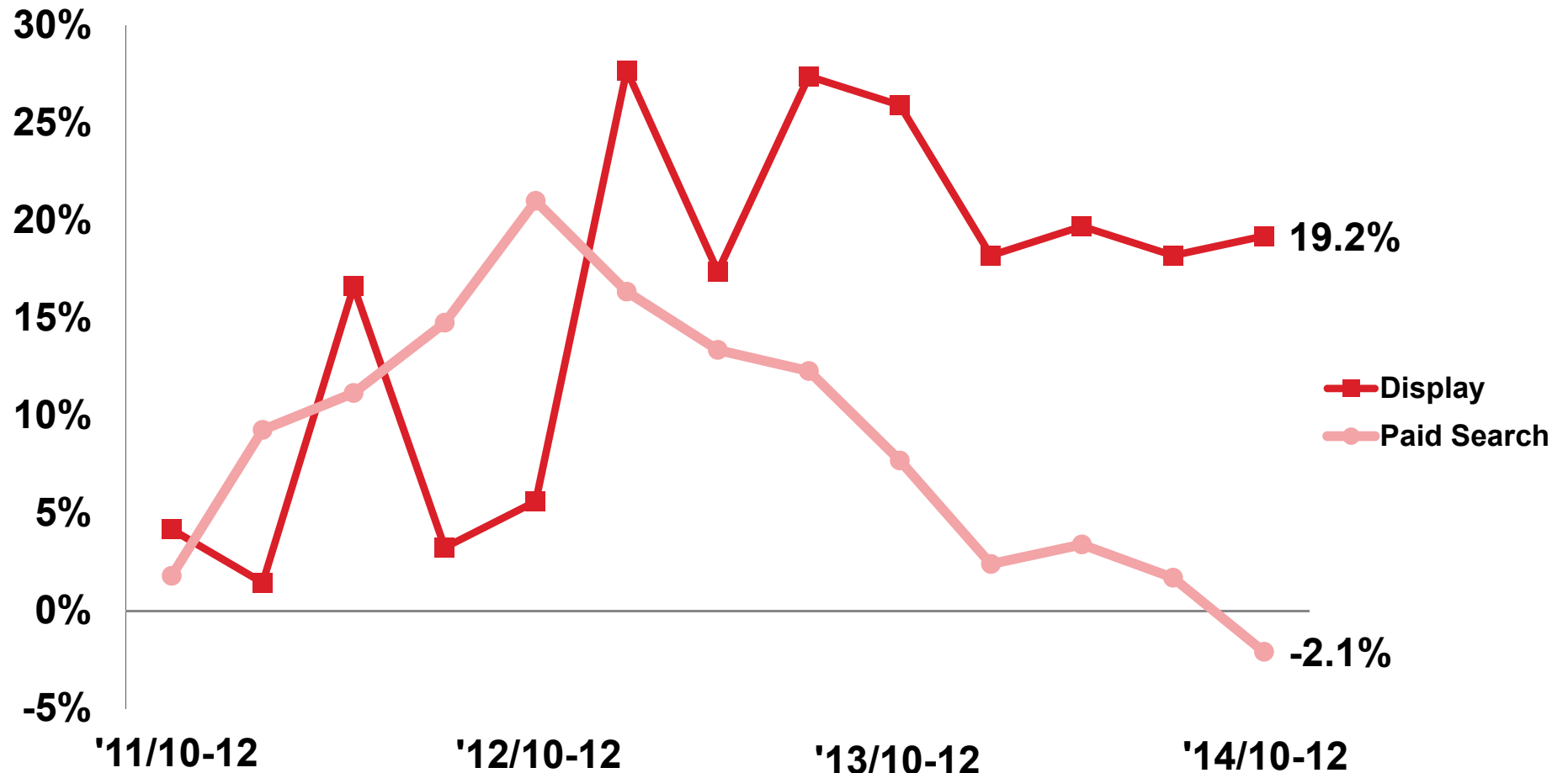
Display Advertising **+19.2%**

Revenues of “Yahoo! Display Ad Network (YDN)” and “Yahoo Premium DSP” grew favorably.

Paid Search Advertising **-2.1%**

PC advertising revenue declined.

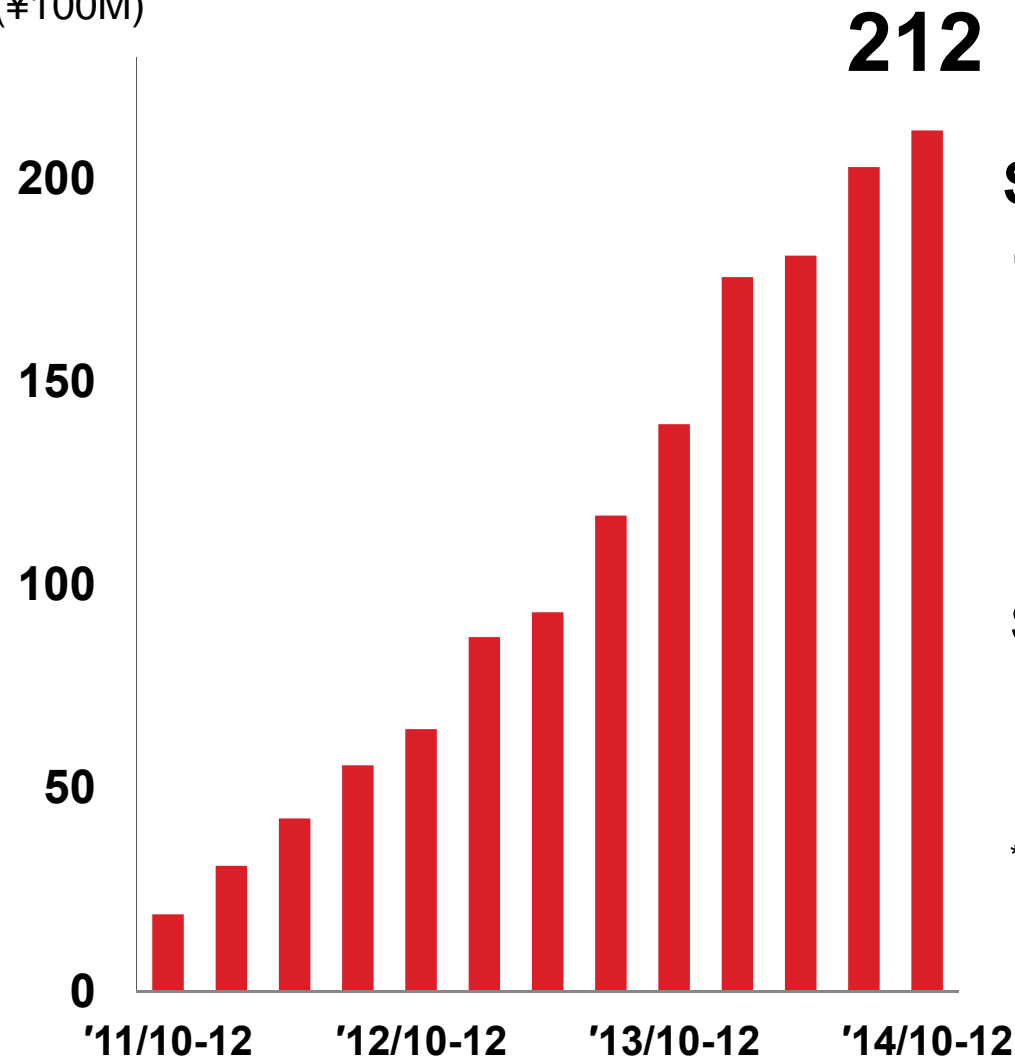
Quarterly Advertising-related Revenue YoY Growth Trend



* The Company has adopted IFRSs beginning with FY2014. Growth rates of '14/4-6 onward are calculated based on IFRSs.

Quarterly Advertising-related Revenue via Smartphones

(¥100M)



Smartphone advertising revenue
(YoY growth)

+72 (¥100M)
+51.9%

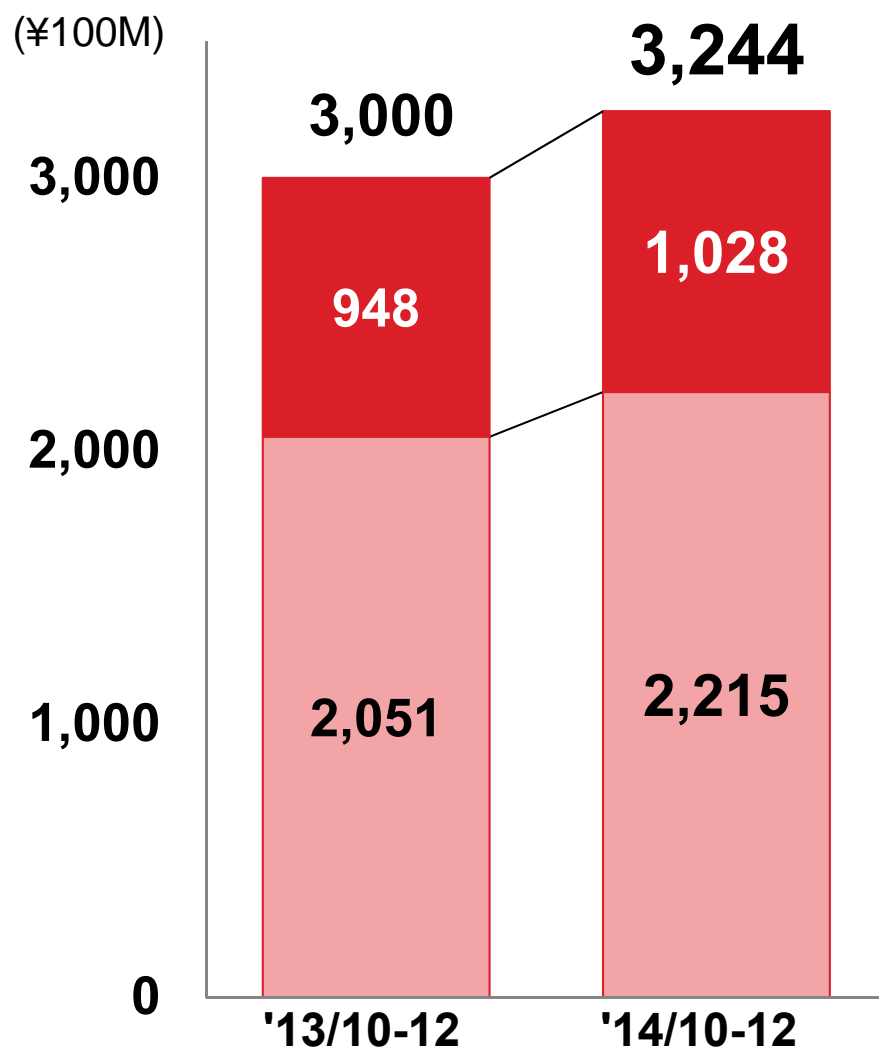
Smartphone advertising revenue ratio

23.7% → 34.2%

*Smartphone advertising revenue includes some revenue via tablet devices.

* The Company has adopted IFRSs beginning with FY2014.
Figures for FY2013 are restated on an IFRS basis.

Quarterly e-Commerce Transaction Value



**Total +243 (¥100M)
+8.1%**

■ Shopping-related*¹ +8.4%

Yahoo! Shopping and LOHACO **+11.5%**

Number of orders and buyers increased.

■ Auction-related*² +8.0%

Number of sellers and bidders increased, and average closing price rose.

* e-Commerce transaction value through Smartphones

27.6% → 35.4%

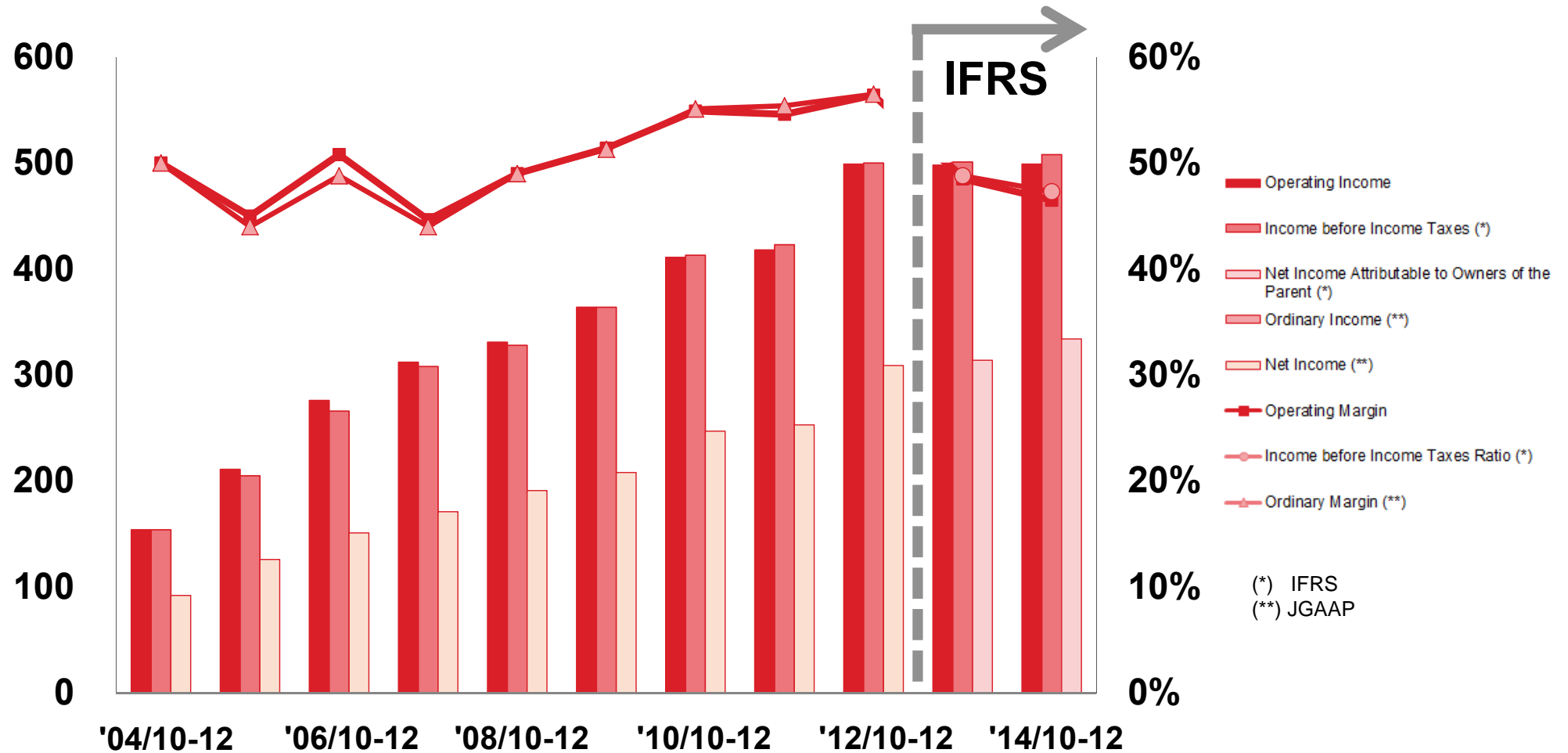
Definition of "e-commerce transaction value" changed as of FY2014-2Q. Transaction values of settlement-related are not included. Prior figures have been restated retroactively.

*1 Includes transaction values of "Yahoo! Shopping", "Yahoo! Travel", paid digital content, "LOHACO", "Yahoo! Restaurant Reservation" and others.

*2 Includes transaction values of "YAHUOKU!" and "tradecarview" (<http://www.tradecarview.com/>). It also includes "ClooShe" (application for smartphones) transaction value from April 2014, and "BOOKOFF Online" (<http://www.bookoffonline.co.jp>) transaction value from May 2014.

Quarterly Profit Trend

(¥100M)

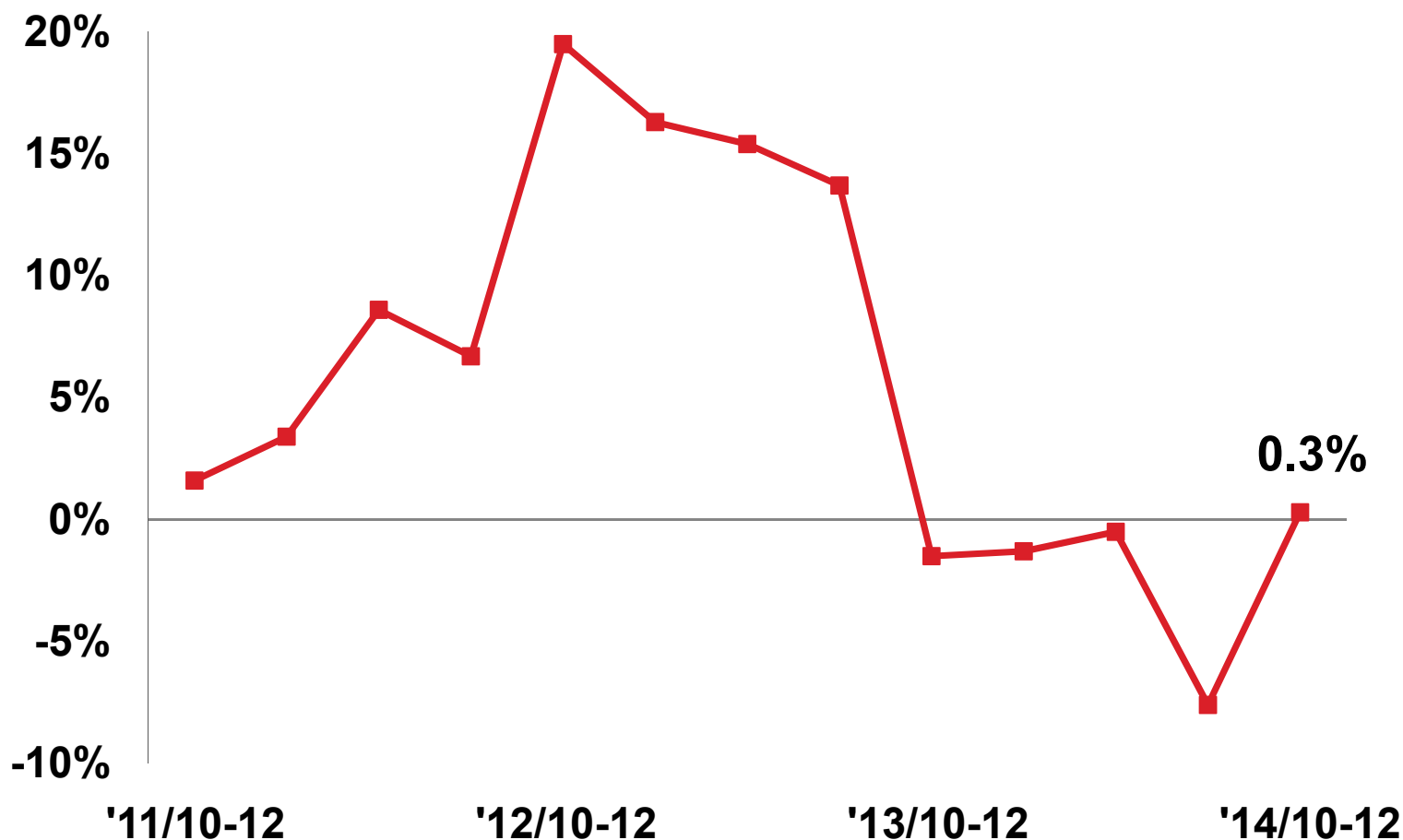


* Figures after FY2013 are restated on an IFRS basis. Operating margins are affected by the adoption of IFRSs.

* Margins for FY2008 to FY2012 are affected by the change in the presentation basis for revenue from gross to net.

Quarterly Operating Income YoY Growth Trend

In addition to the end of the negative impacts on YoY comparisons one year after the start of our new e-commerce strategies, measures to reduce and streamline costs contributed to the positive growth in operating Income.



* The Company has adopted IFRSs beginning with FY2014. Growth rates of '14/4-6 onward are calculated based on IFRSs.

Review of FY2014-3Q Business Outlook

In spite of continued investment for future growth, revenue and operating income exceeded our forecasts because of:

- Favorable revenue growth more than expected in several products
- Cost reduction and streamlining measures

(¥100M)

	FY2014-3Q Forecast (As of Oct. 29, 2014)	FY2014-3Q Actual	Change Contributors
Revenue	1,027-1,047	1,075	*Favorable revenue growth in YDN and others, and FX-related services. *Decrease in PC advertising revenue was slower than expected.
Operating Income	452-473	499	Progress in reducing and streamlining costs

FY2014-4Q Business Outlook

Aim to achieve positive growth in revenue and operating income with continued cost reduction and streamlining measures.

(¥100M)

	2013-4Q (Actual)	2014-4Q (Forecast)	Change Contributors
Revenue	1,076	1,121 - 1,141	* YDN and others expected to grow. * Newly consolidated subsidiaries' revenues will be added.
Operating Income	477	487 - 507	* Traffic acquisition costs and content provider fees will increase along with expanding advertising revenue. * Depreciation expenses will increase because of additional investments to strengthen security systems and expand big data
Income before Income Tax	536	491 - 511	Gain on sales of investment securities in 2013-4Q
Net Income Attributable to Owners of the Parent	319	301 - 314	-

FY2014 Full Year Business Outlook

Net income attributable to owners of the parent for the full year is expected to increase, despite the forecast of decline in operating income due to measures for improving balance sheet.

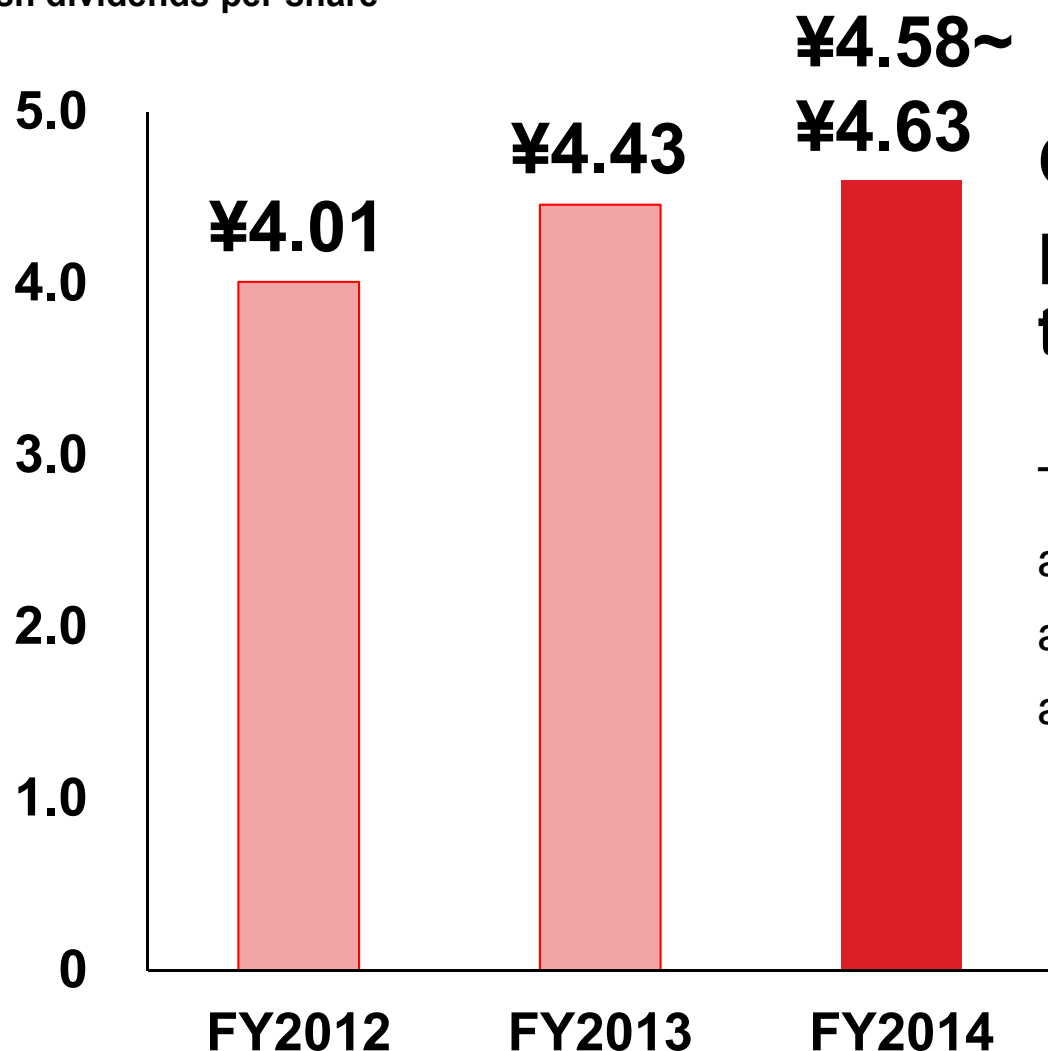
(¥100M)

	FY2013 (Actual)	FY2014 (Forecast)
Revenue	4,085	4,229 - 4,249
Operating Income	1,964	1,934 - 1,954
Income before Income Tax	2,082	2,048 - 2,068
Net Income Attributable to Owners of the Parent	1,286	1,301 - 1,314

* The FY2014 full year projection is the cumulative actual results of FY2014-1Q to 3Q plus the FY2014-4Q projection.

FY2014 Year-End Cash Dividends Forecast

Cash dividends per share
(¥)



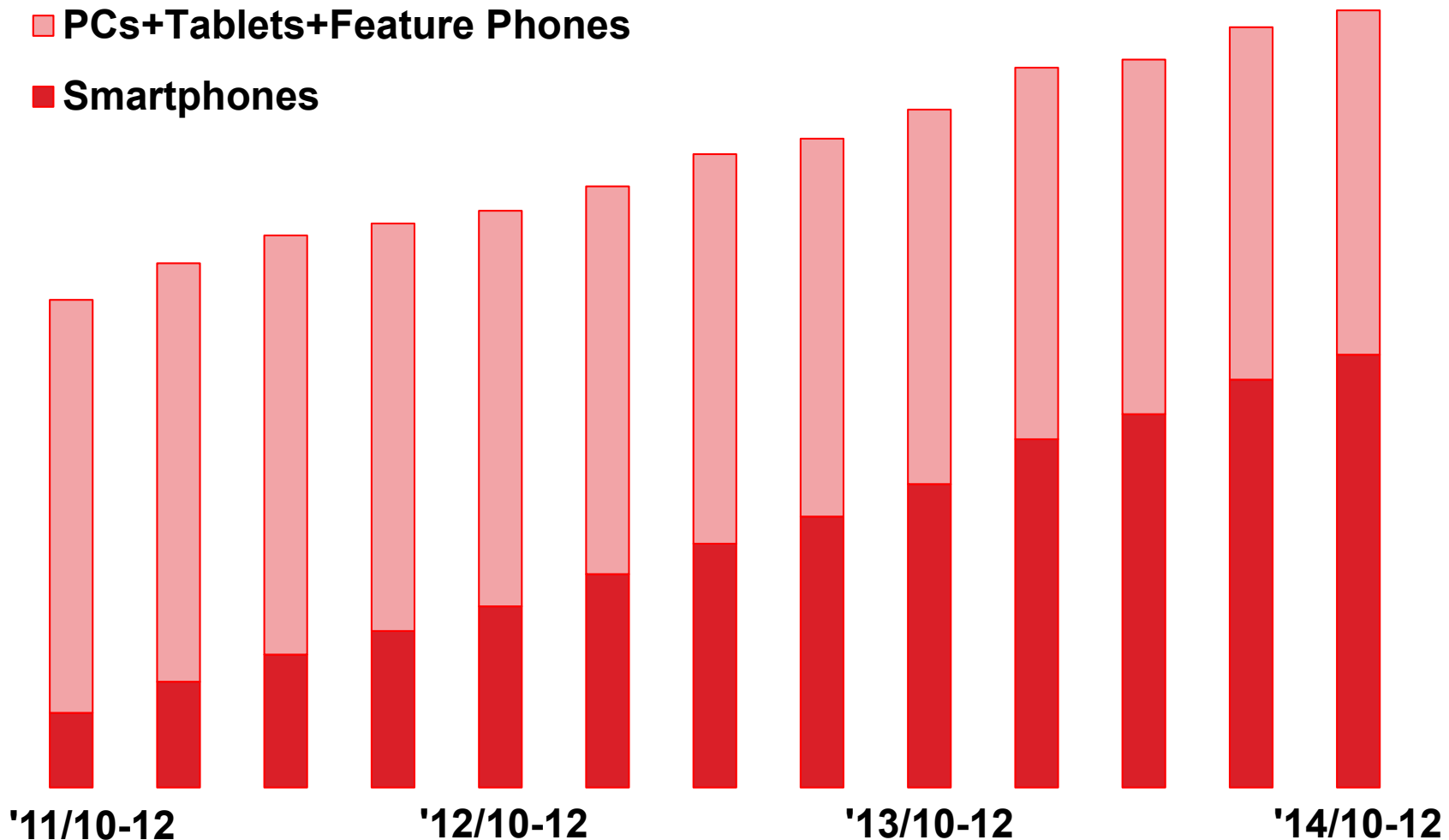
Cash dividends per share is expected to grow +3.4% to +4.5% YoY

The Company's target continues to be approximately 20% of net income attributable to owners of the parent as its forecast for dividends for the FY2014.

* The Company split shares 100-for-1 on Oct. 1st, 2013, and prior figures are retroactively adjusted.

Usage of Yahoo! JAPAN Services

DUBs* of Top 20 Services of Yahoo! JAPAN Growing Favorably

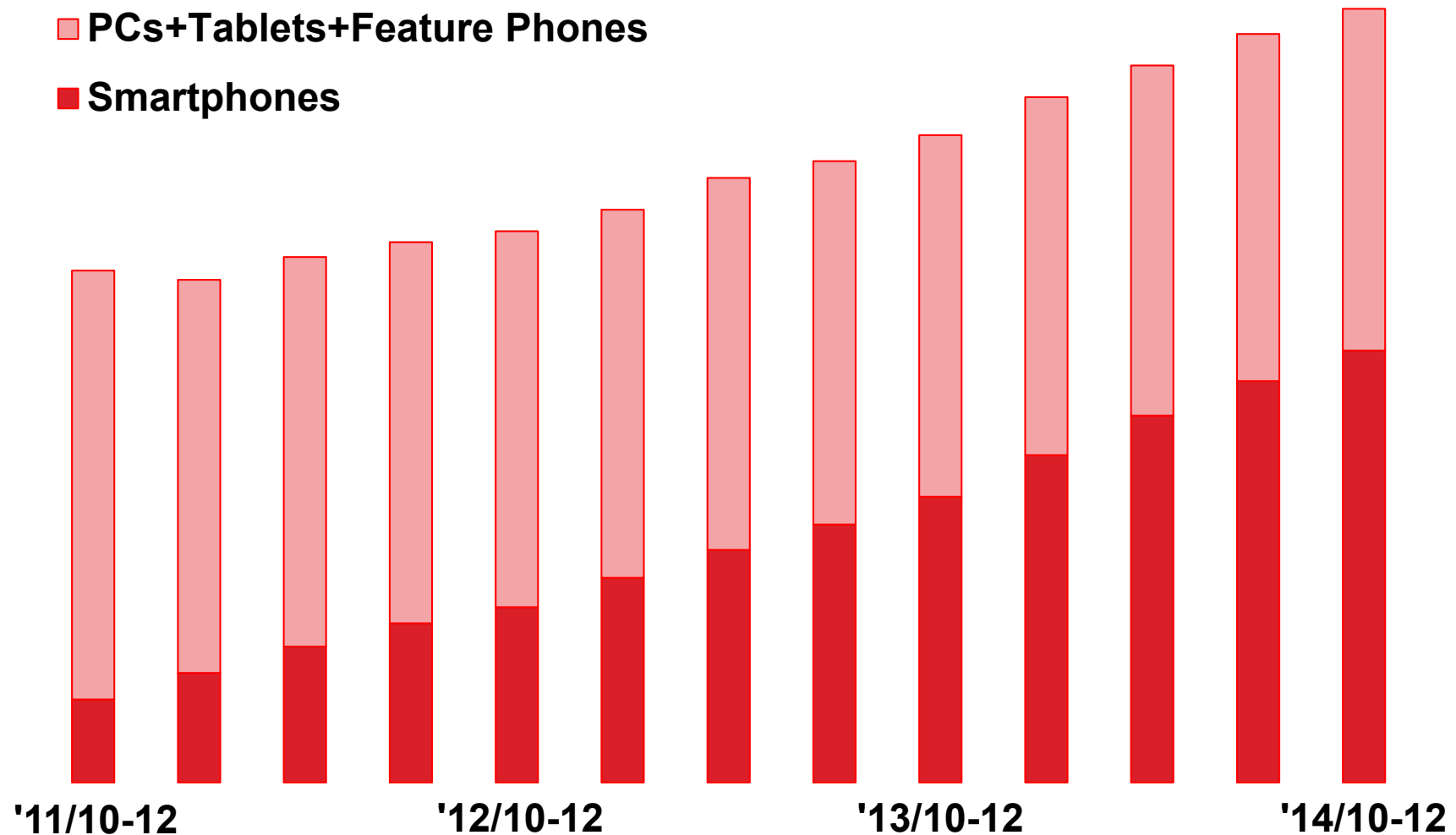


Source: Yahoo Japan Corporation

* DUB=Daily Unique Browser

DUBs* of All Services of Yahoo! JAPAN Increasing

■ PCs+Tablets+Feature Phones
■ Smartphones

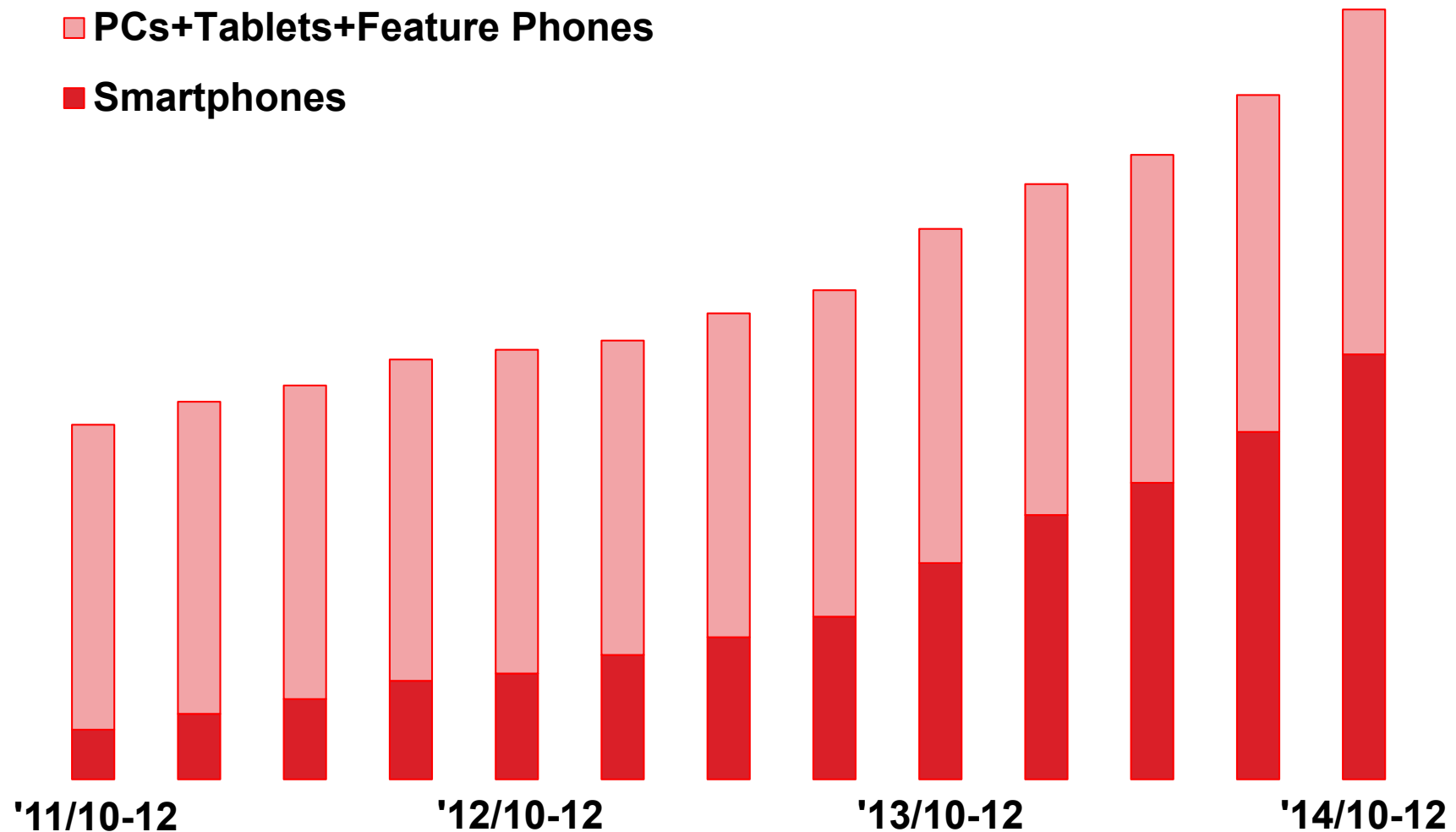


Source: Yahoo Japan Corporation

* DUB=Daily Unique Browser

MUBs* of Yahoo! JAPAN Services Growing Favorably

■ PCs+Tablets+Feature Phones
■ Smartphones

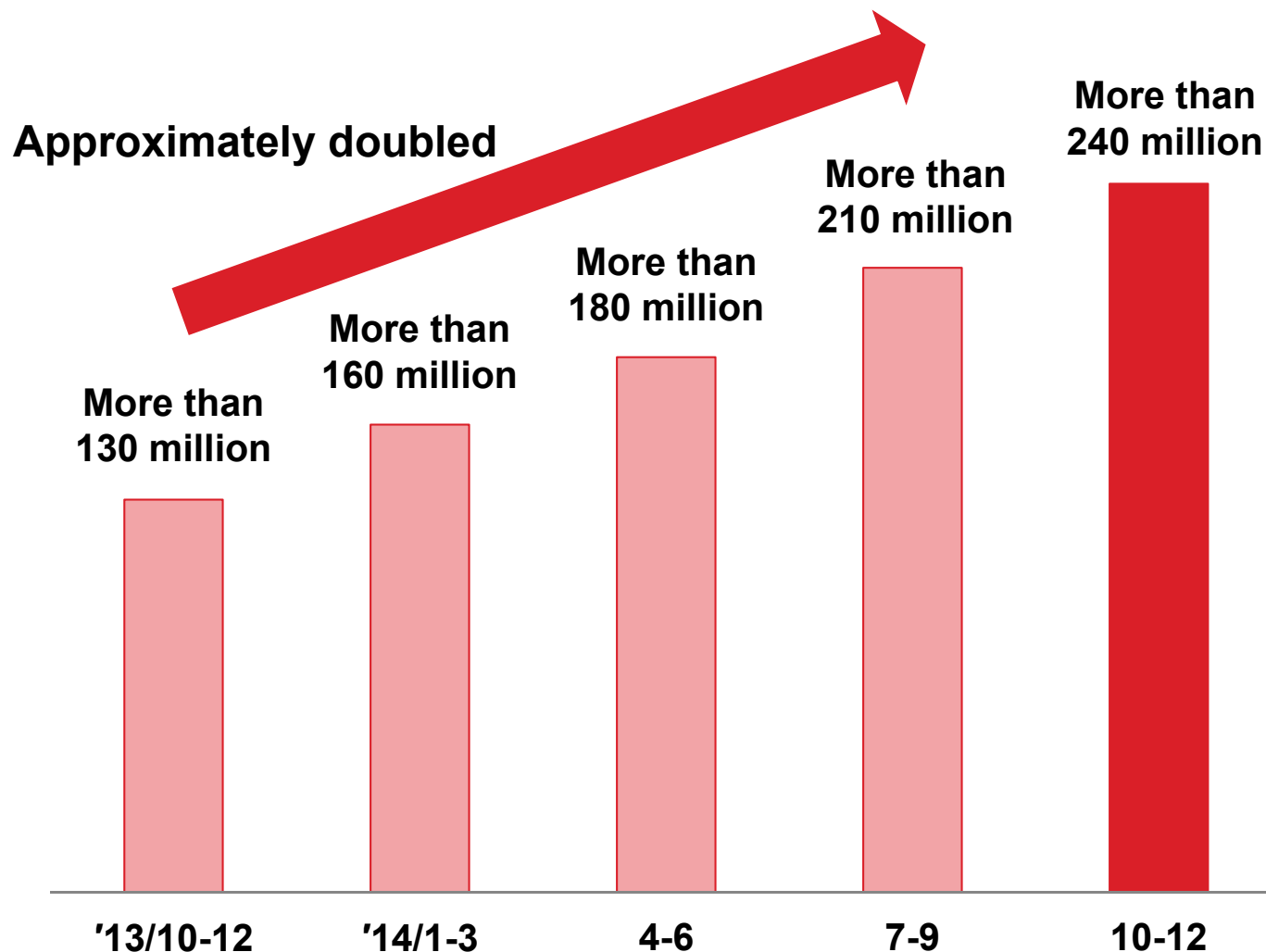


Source: Yahoo Japan Corporation

* MUB=Monthly Unique Browser

Downloads of Applications

Cumulative downloads of iOS+Android applications are **240 million and up.**



*Numbers of cumulative downloads of applications developed by Yahoo Japan Corporation and Community Factory Inc. (absorbed as of January 5, 2015)

Re-establishment of “GYAO!” Brand

- Aims to acquire new subscribers by renewing services and advertising on TV, etc.
- Numbers of application downloads, viewers and content views growing favorably.



GYAO!, an official video streaming platform

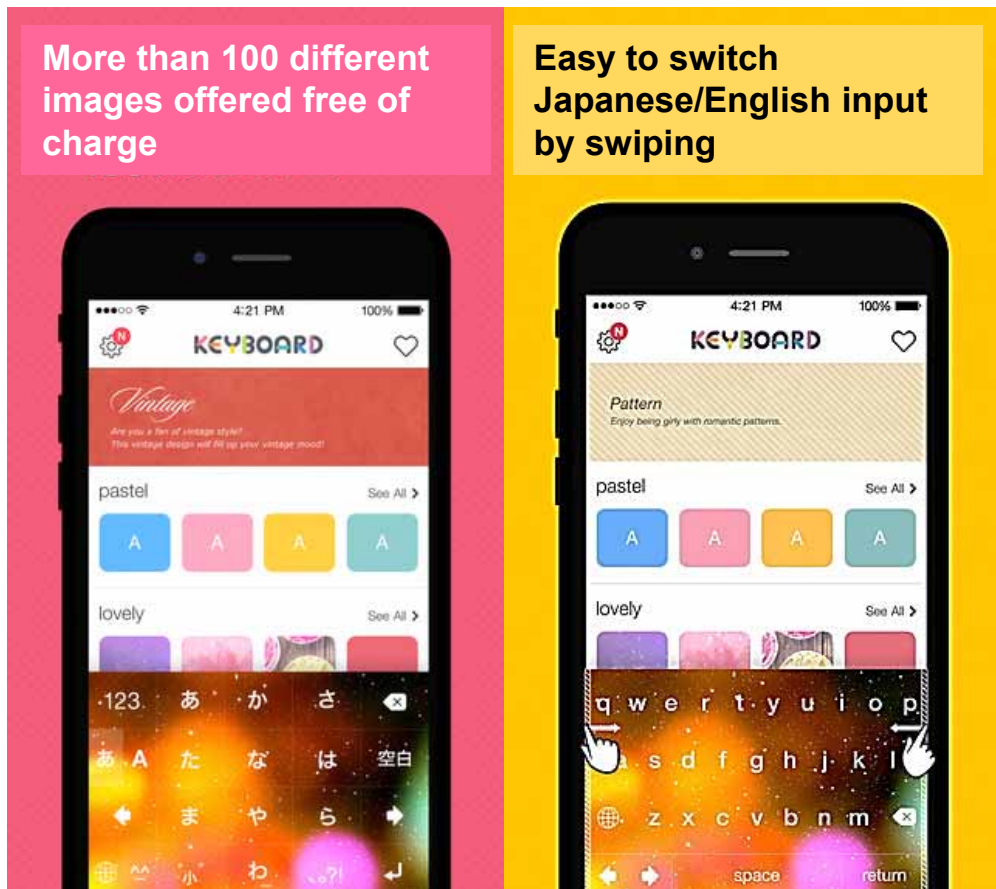
“Yahoo! Car Navigation System” Application for Smart Devices

- Recorded **2 million downloads** in 100 days after launch.
- Newly offers tablet-optimized views and functions.



A 3D display image of “Yahoo! Car Navigation System” application

“Yahoo! Keyboard”, Application for iOS Rated as No.1 among Free Apps



- Functions such as swiping and cursor move keys enable optimized Japanese characters input.
- Users can customize their keyboard appearances by changing background colors and images.

A display images of “Yahoo! Keyboard” application

Timeline view of Renewed Yahoo! JAPAN Startup Page to be Launched in Spring (for Smartphone browsers and applications)



- Enables personalized content distribution by Yahoo! JAPAN IDs.
- Aims to enhance advertising efficiency and to increase revenue.

Advertising space

Advertising inserted among content

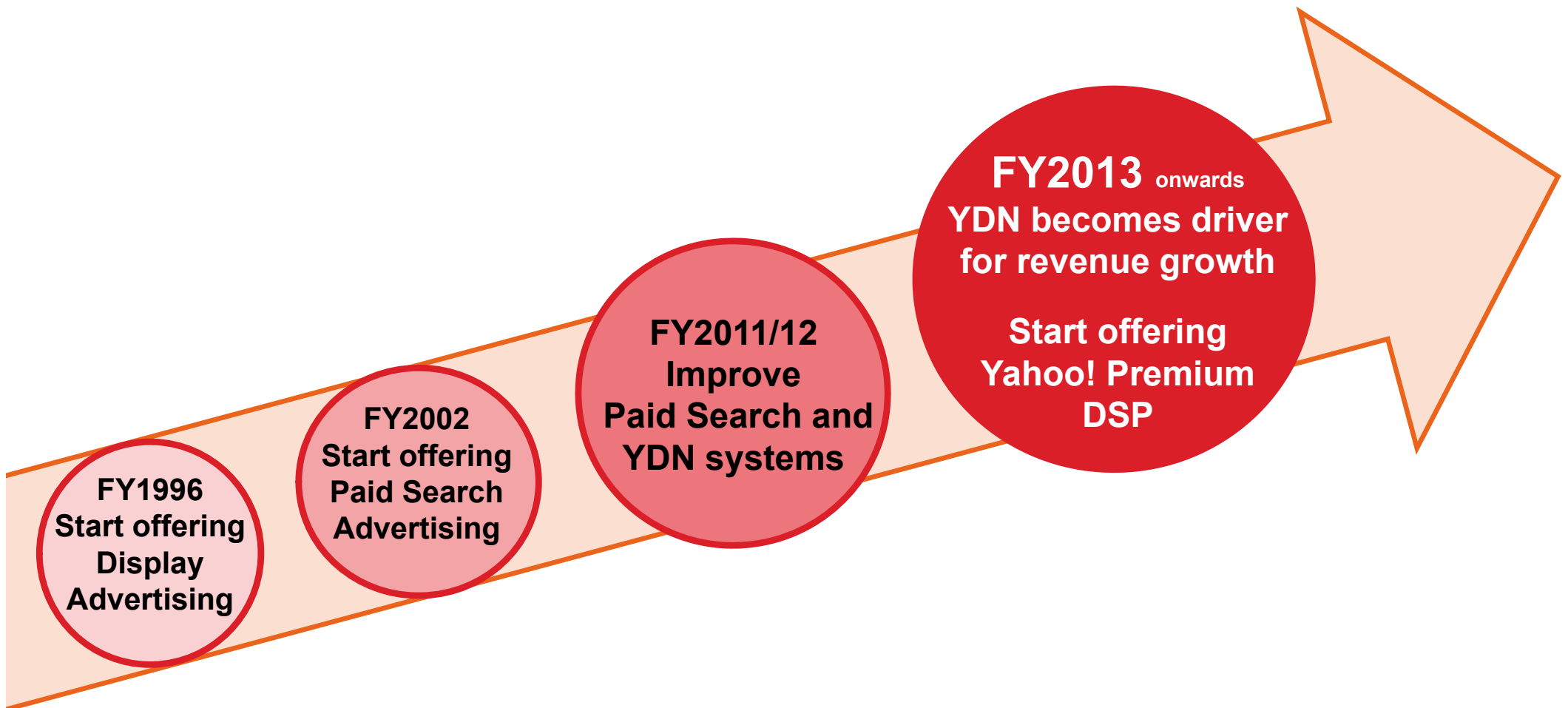
Entering the Game Publishing Business

- Established GameBank Corporation in January 2015, aiming at monetization of the growing time users spend on games on smart devices.
- GameBank is going to:
 - support developers in promotion and localization of game content.
 - develop in-house game content.

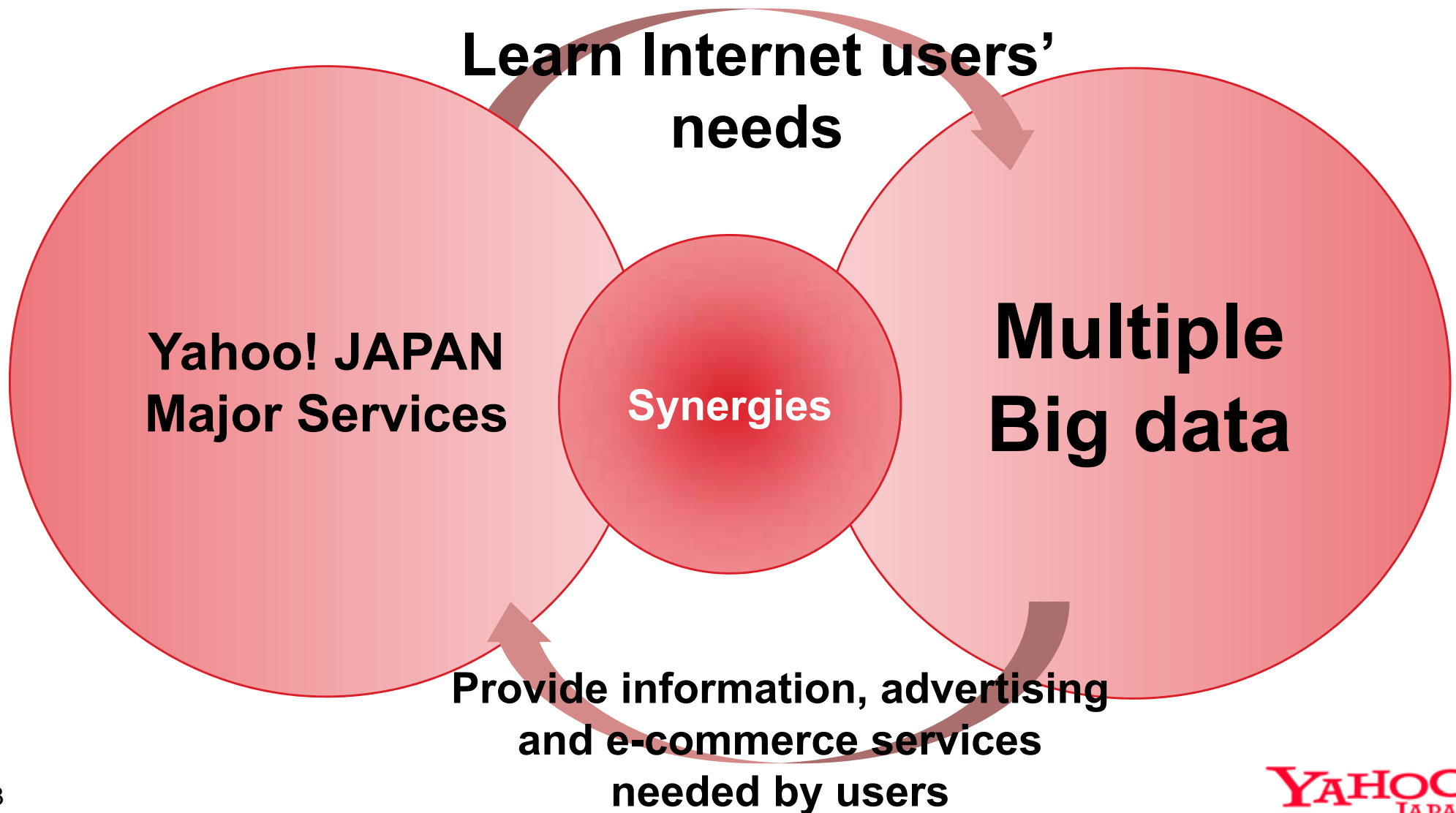


Monetization with Advertising Products

**We aim to attain sustainable growth
by continuously offering new advertising
products in addition to our existing products.**



Yahoo! JAPAN aims to be a **Multiple Big Data Company** which understands Japanese Internet users better than any other companies.



“Yahoo! Premium DSP”

- 180 major national advertisers are clients.
- Revenue grew more than 60% on QoQ basis.



質の高い広告掲載面

YAHOO! JAPAN

AD

Yahoo! JAPANのプレミアムな広告枠に配信できる唯一のDSP

The only platform that allows advertisement exposure on Yahoo! JAPAN's premium inventories

The image shows a laptop on the left and a document on the right. The document has the 'YAHOO! JAPAN' logo at the top and a red box with 'AD' in the center. The background is a green and blue striped pattern with yellow stars. A red banner at the top says '質の高い広告掲載面' (High quality advertisement placement). A red banner at the bottom contains the text 'Yahoo! JAPANのプレミアムな広告枠に配信できる唯一のDSP' (The only platform that allows advertisement exposure on Yahoo! JAPAN's premium inventories).

Video Advertising

- Number of viewers and views of content doubled on YoY basis.
- Trial of unwatched TV program distribution expanded to 3 TV channels.
- Revenue doubled on YoY basis.



Enhancing Rich Ad Products for Smartphones



Developing new branding advertising products dedicated for Smartphones

A sample image of a rich advertising product utilizing a gyro sensor

Will Start Offering Advertising Distribution on “Yahoo! Real-time Search”



Will place “Twitter Ads”, and YDN and others in “Yahoo! Realtime Search” that can search posted messages and show hot keywords and popular images on social media.

Advertisers can post advertising on Twitter “Twitter Ads” via Yahoo! JAPAN ad management system since November 2014.

A display image of “Yahoo! Realtime Search”

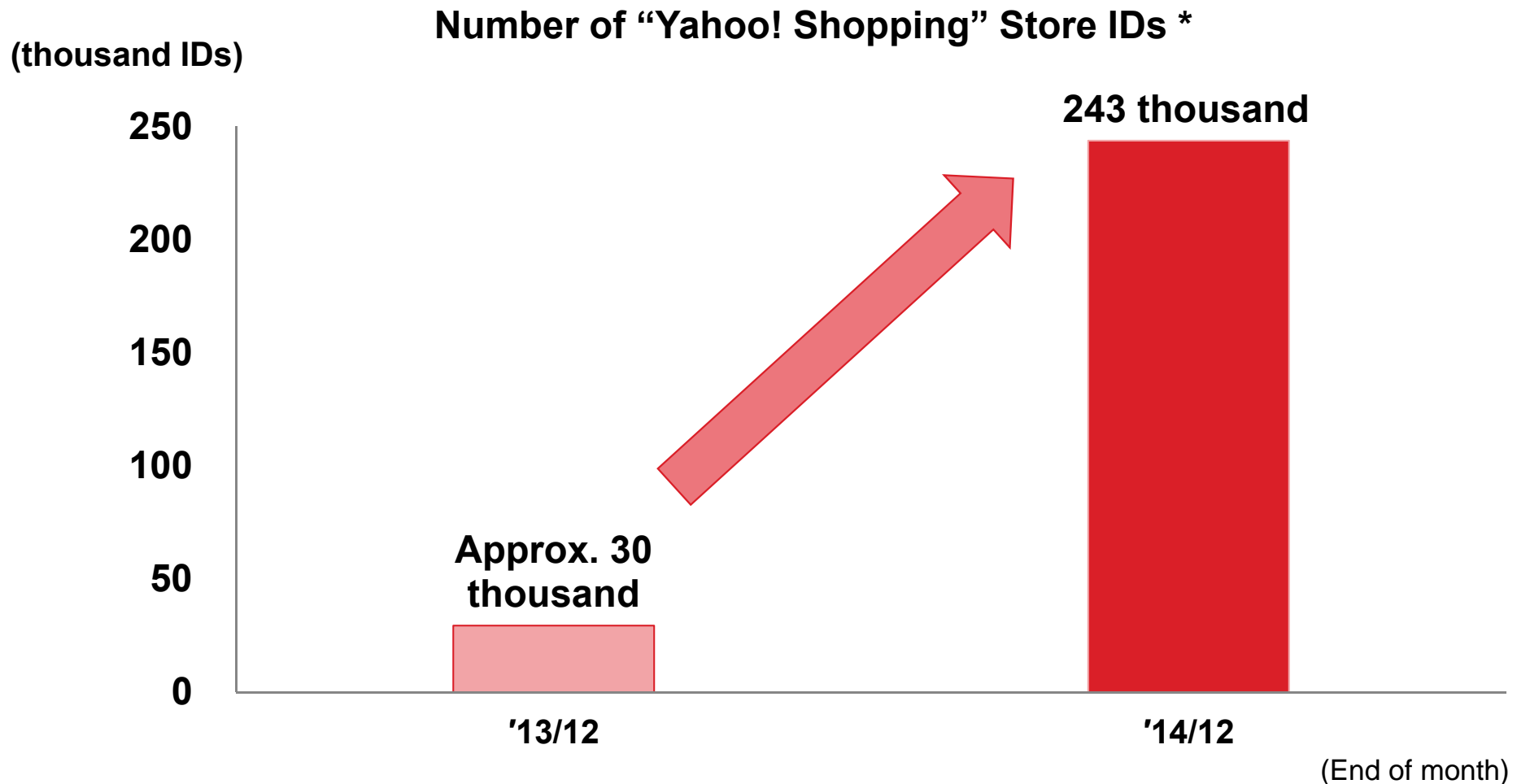
Consumer Business



Yahoo! Shopping

Yahoo! Shopping

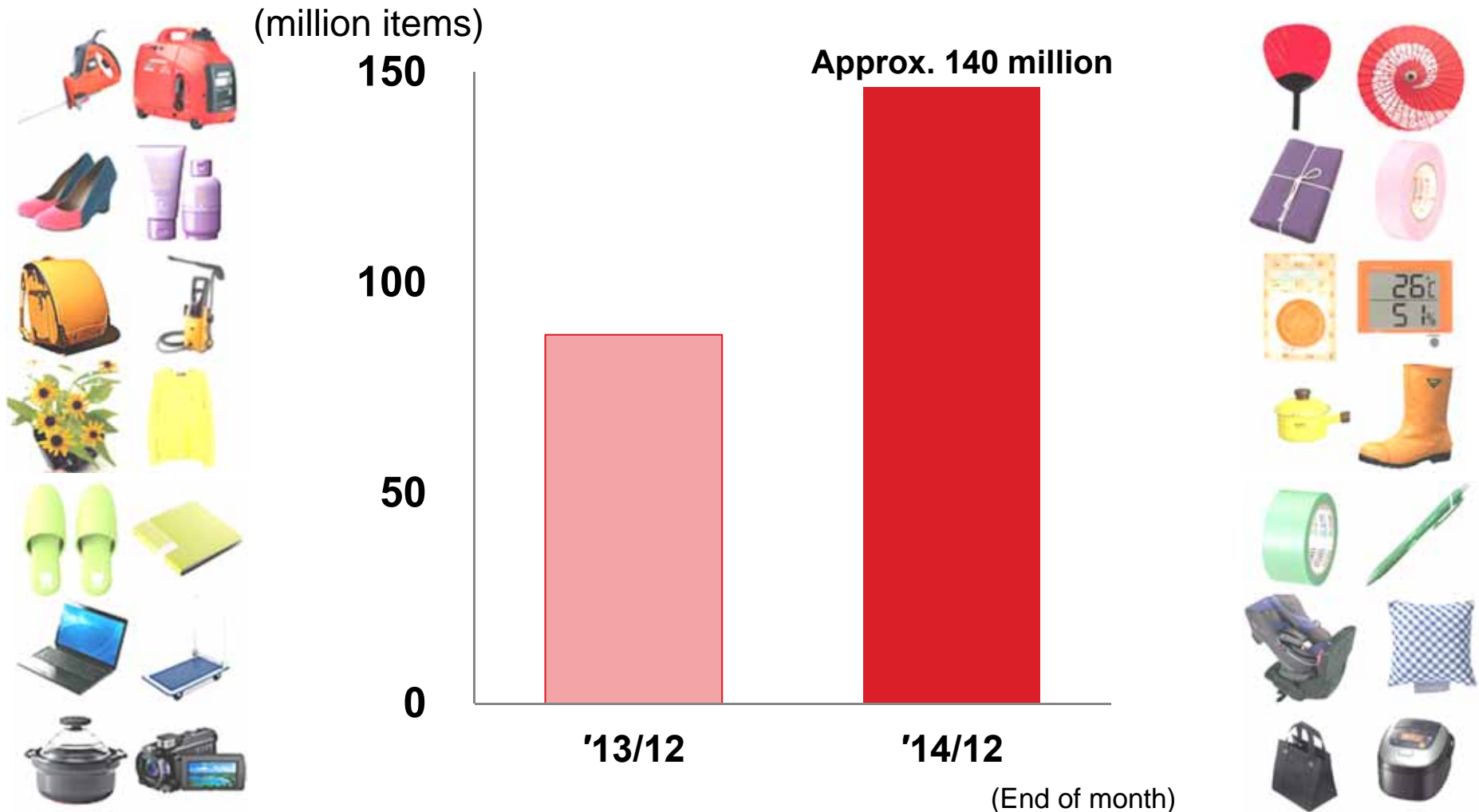
Number of store IDs reached **243 thousand**,
with an increase of more than 200 thousand IDs.



* Number of corporate and individual accounts issued.
It includes the number of accounts still preparing the store sites.

Yahoo! Shopping

Aims to become No.1 in items listed in FY2015



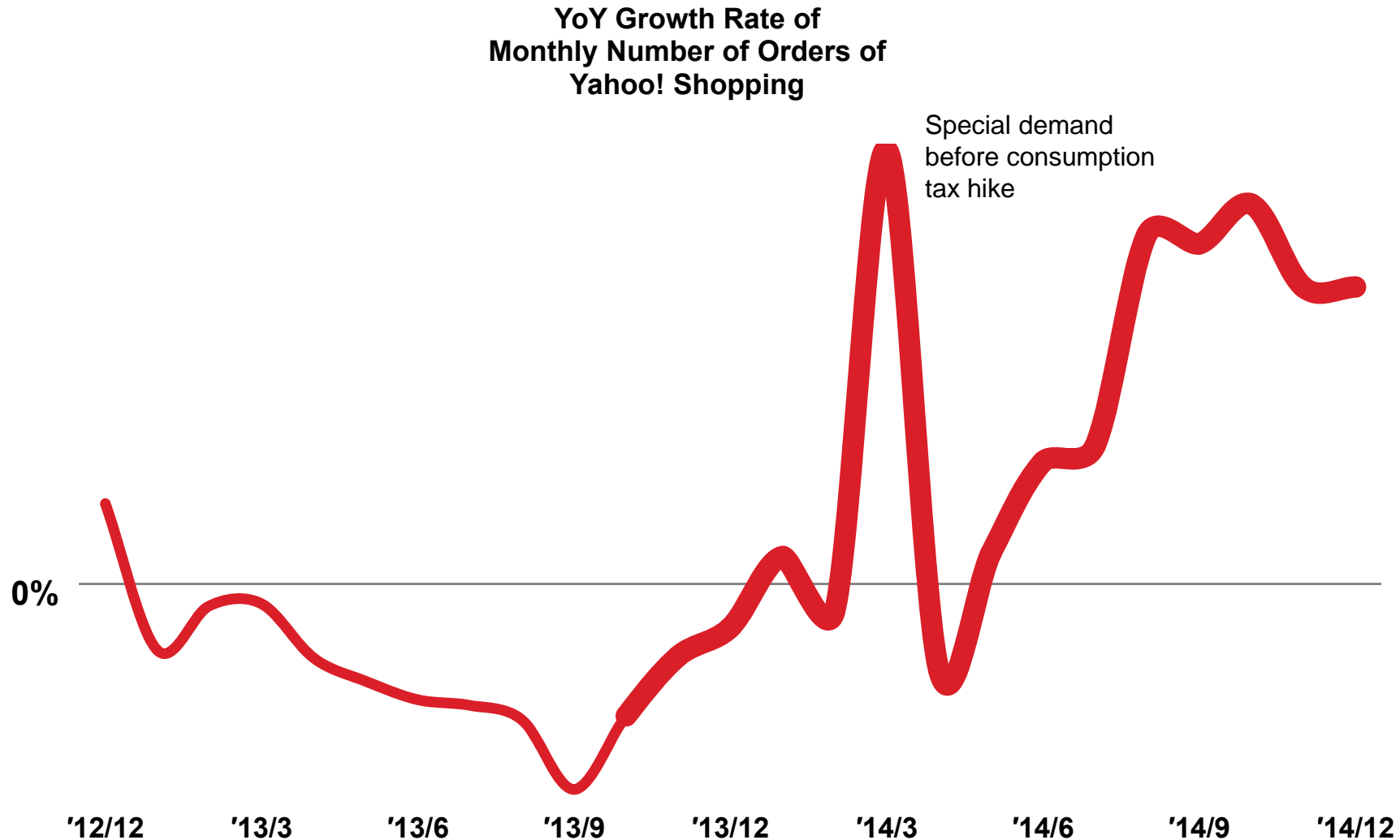
Promotion Activities for Year-end Shopping Season

The screenshot shows the Yahoo! Shopping homepage for the 'Ultra 10 Days' promotion. The main banner features the text 'Yahoo! ショッピング' and 'Yahoo! JAPAN'. The promotion title 'ウルトラ10DAYS' is prominently displayed with the dates '12/12(金) 12:00 ~ 12/21(日) 23:59'. Below the banner is a navigation menu with categories like 'カニ 魚介', 'グルメ スイーツ', 'レディース ファッション', 'メンズ ファッション', 'アクセサリ 腕時計', 'コスメ ダイエット', '家具 インテリア', 'スポーツ レジャー', '自動車 バイク 自転車', and '家電 パソコン'. The main content area highlights '特選 お買い得セール情報!' (Special Selection Great Deal Sales Information!) with sub-promotions: '毎日更新! 月~木20時より 4時間限定ナイトタイムセール' (Daily update! From Monday-Thursday 20:00, 4-hour limited night time sale), '最大ポイント15倍も! 厳選ストアセール' (Up to 15x points! Selected store sale), and '見逃し厳禁アイテムずらり 人気ストアSALE' (Don't miss! Popular store sale). A '4hour 4時間限定ナイトタイムセール' (4-hour limited night time sale) banner is also visible, with dates '12/15(日), 16(月), 17(火), 18(水) 20:00~23:59'. The bottom of the page features a row of product images including a vacuum cleaner, clothing, a kitchen appliance, and a Citizen watch.

A promotional page for year-end sales

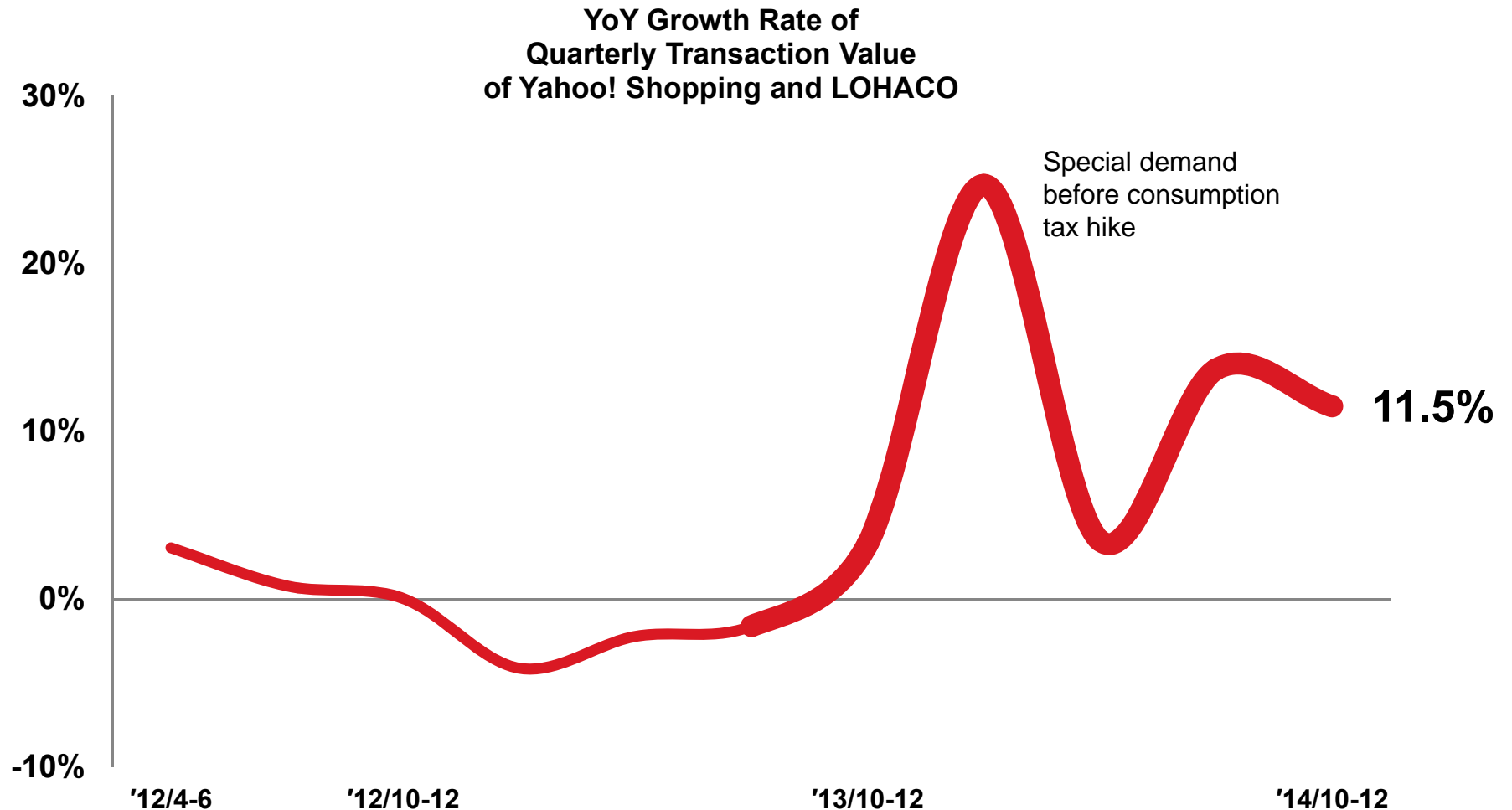
Number of orders and buyers increased by **10% or more** compared to the same quarter last year.

Number of orders has been increasing



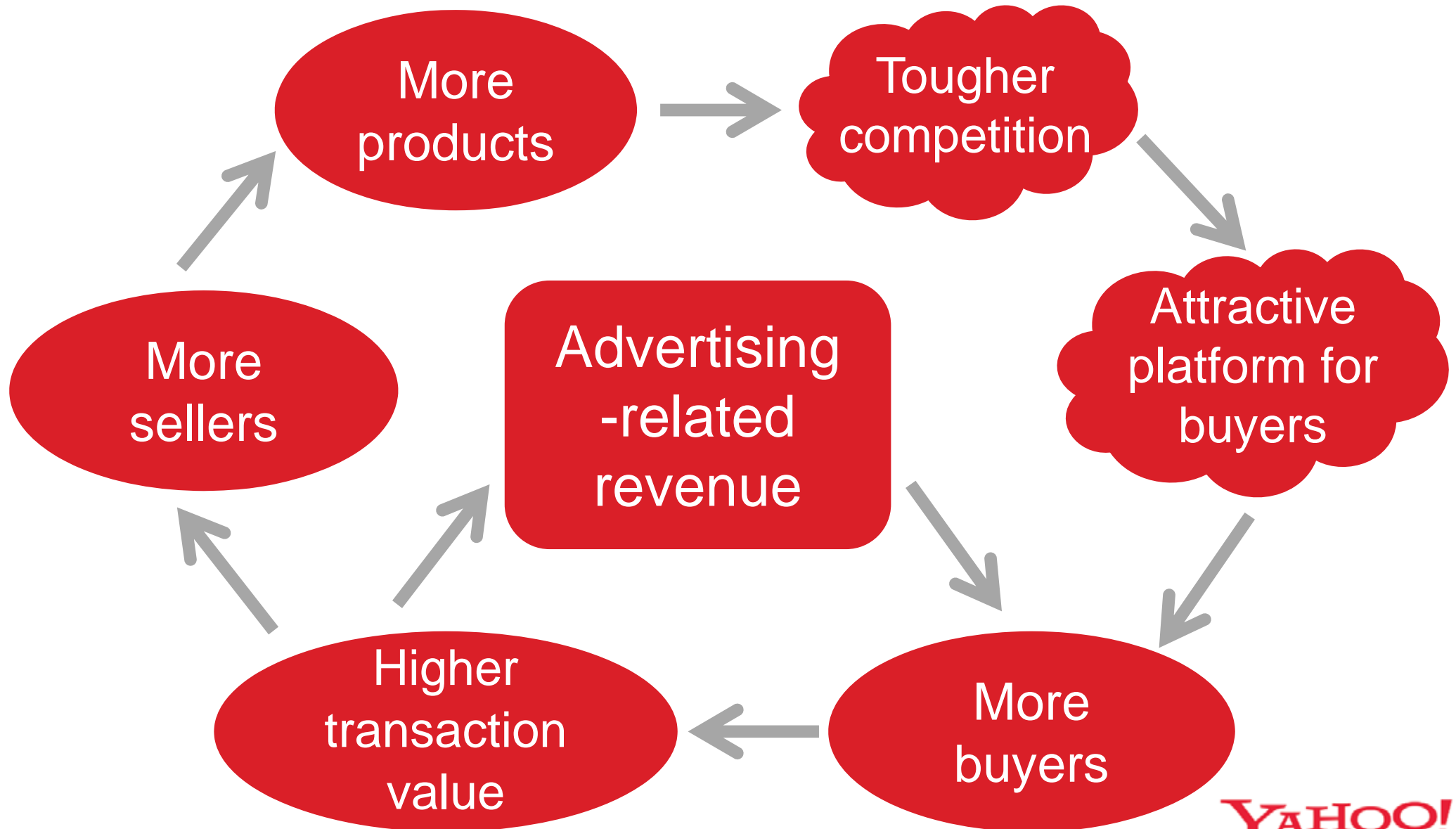
Yahoo! Shopping

Transaction value has kept growing even one year after start of new strategies.



Yahoo! Shopping

Transaction value expansion leads to advertising growth in the future.





YAHUOKU!

(Auction service)

YAHUOKU! (Auction)

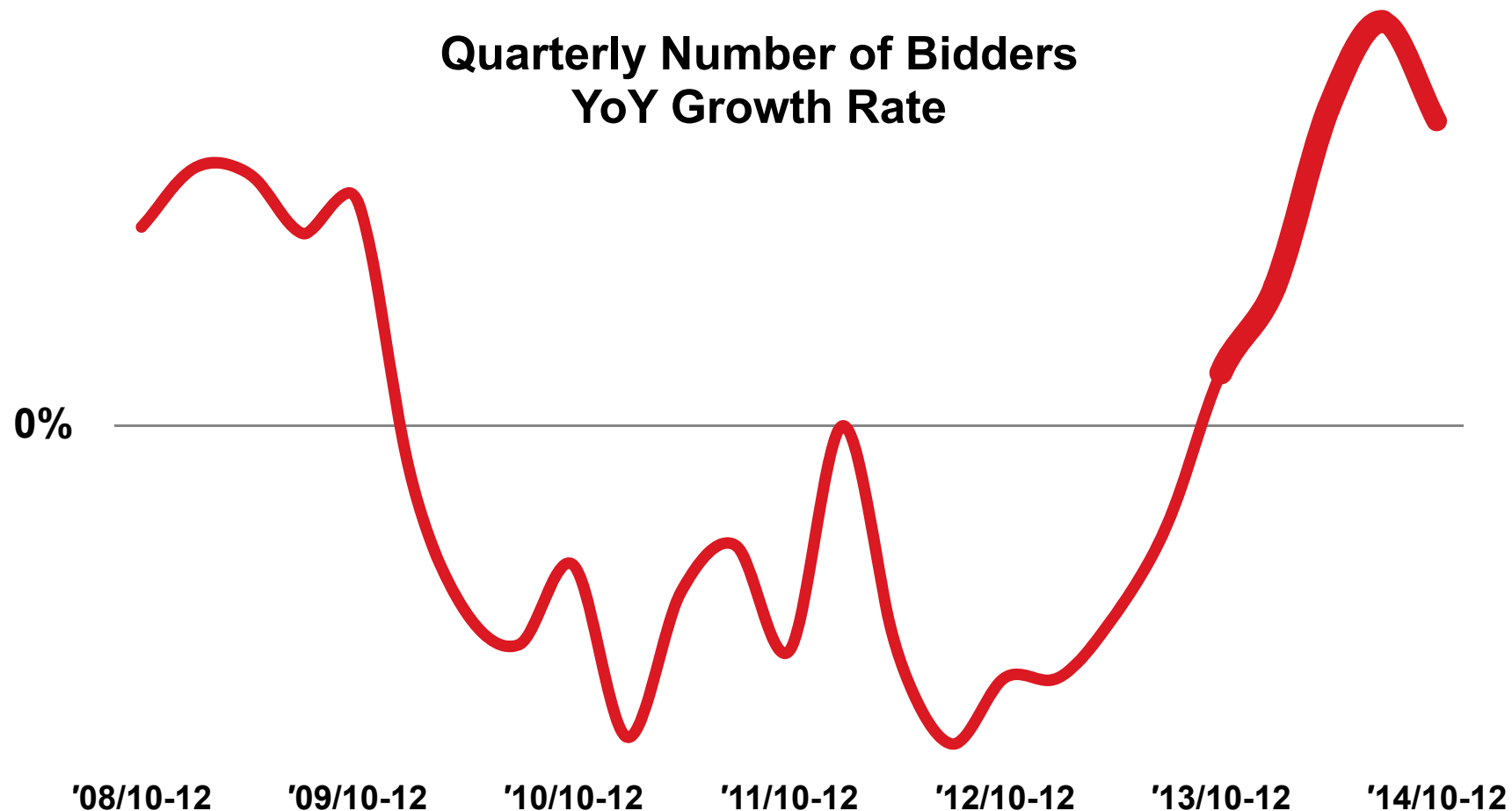
- Renewed the start page for PCs and Smartphone applications of “YAHUOKU!”(Yahoo! Auctions)
- “YAHUOKU!” transaction value in December hit a record high thanks to TV advertisement and promotional campaigns.



An image from “YAHUOKU!” TV commercial

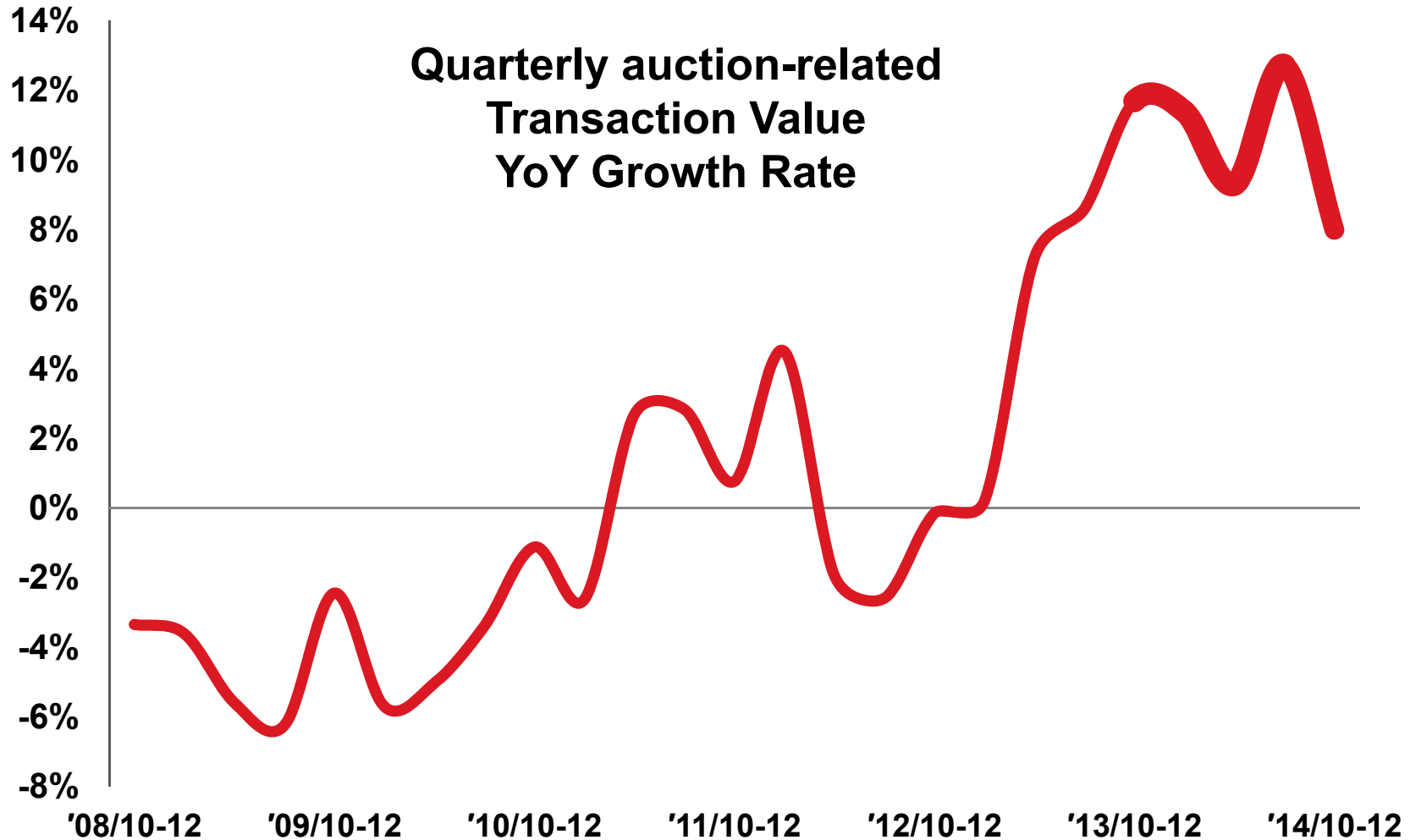
YAHUOKU! (Auction)

Number of bidders has been increasing since the commencement of new e-commerce strategies.



YAHUOKU! (Auction)

Transaction value has kept growing even after 1-year anniversary of new strategies.



* Auction-related transaction value includes transaction values of “YAHUOKU!” and “tradecarview.” (<http://www.tradecarview.com/>) It also includes “ClooShe” (application for smartphone) transaction value from April 2014 and “BOOKOFF Online” (<http://www.bookoffonline.co.jp>) transaction value from May 2014.

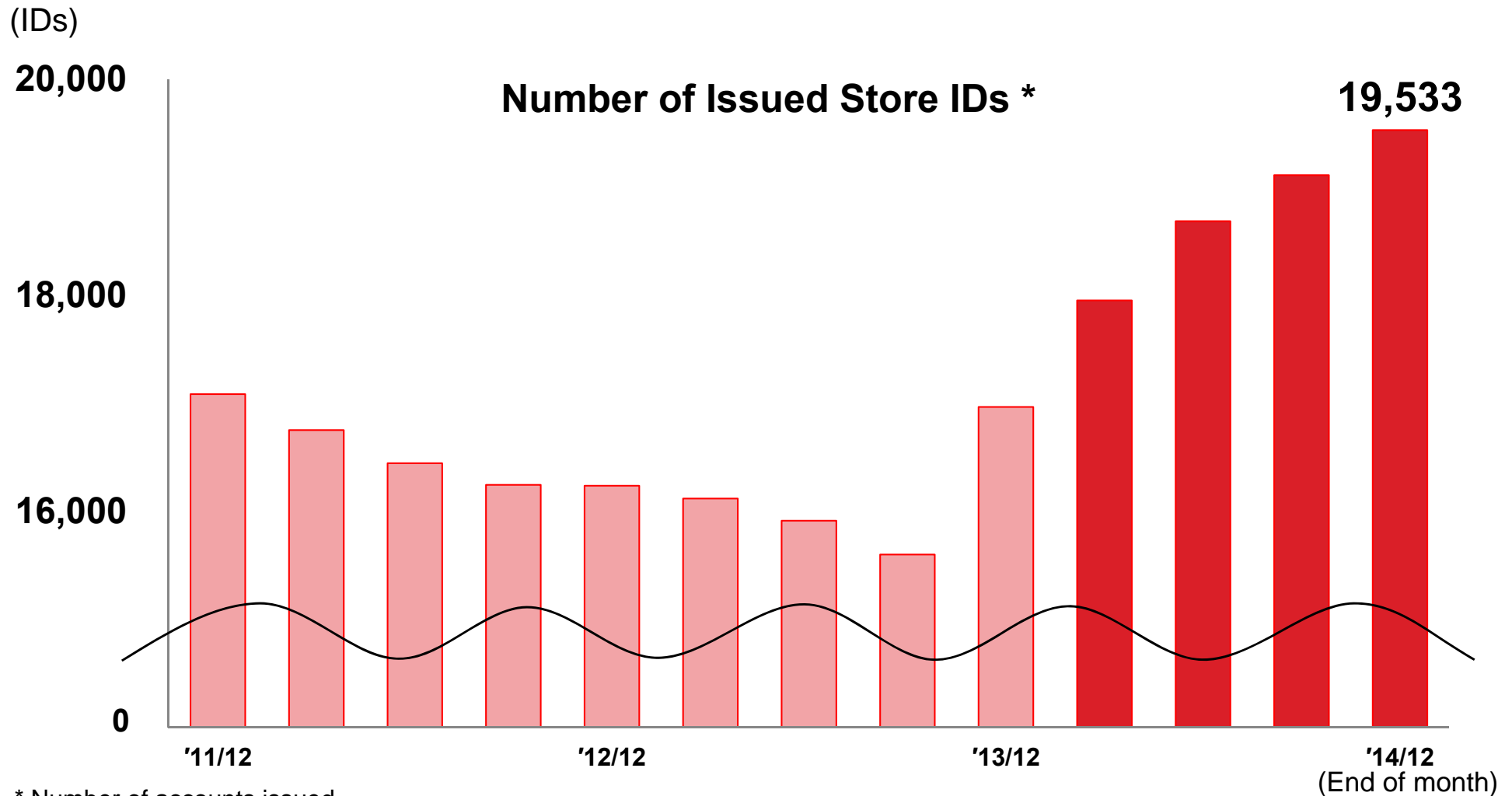
YAHUOKU! (Auction)

Quarterly number of sellers has increased on a YoY basis for 3 consecutive quarters.



YAHUOKU! (Auction)

Number of store IDs has shown positive growth, after a long downward trend.



* Number of accounts issued.
It includes the number of accounts still preparing the store sites.

Tender Offer for Shares of Carview Corporation Completed

- **Synergy effects are already seen in advertising and auto-related businesses.**

Dec. 2012 Made Carview a consolidated subsidiary (52.2%)

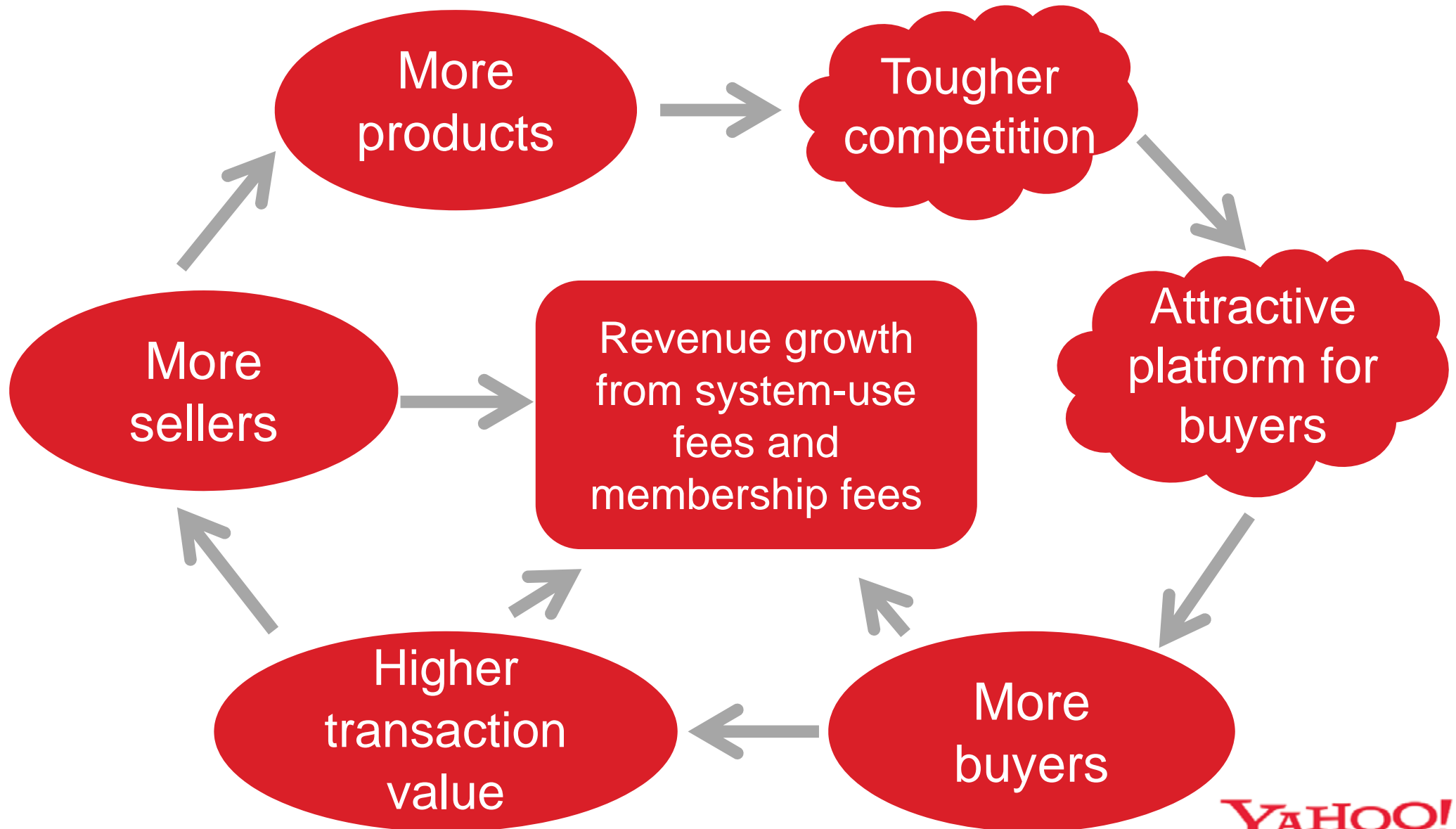
June 2013 “Yahoo! Autos” were integrated with “carview.co.jp” and renewed as “carview!”

- **Plan to start cooperating in auctions business area**

Aiming at being No.1 in transaction value in the e-commerce market in Japan, we plan to utilize Carview’s automobile media business and the overseas commerce business in the used car market of 2.5 trillion yen.

YAHUOKU! (Auction)

Will increase the transaction value and expand the revenue from system-use fees and membership fees.



Premium Membership

Number of Premium Membership IDs exceeded **10 million**

The screenshot displays the Yahoo! Premium website interface. At the top, a large banner features the text "1230ポイント 全員にプレゼント" (1230 points, gift to all members) in large, colorful characters. Below this, a smaller banner reads "Yahoo!プレミアム会員登録とヤフオク!がYahoo!ショッピング利用でもらえる!" (Get Yahoo! Premium membership and Yahoo! Auction! when using Yahoo! Shopping!).

Below the main banner, there are several promotional tiles:

- A red tile for "1230ポイント 全員にプレゼント" (1230 points, gift to all members).
- A tile for "TOHOシネマズ公開初..." (TOHO Cinemas public debut...).
- A tile for "仲介手数料0" (No brokerage fee).
- A tile for "ヤフオク!でコツカイ稼ぎ" (Earn money on Yahoo! Auction!).
- A tile for "プレミアム & 82日旅行" (Premium & 82-day travel).

At the bottom, there is a section titled "人気飲食店のクーポン" (Popular restaurant coupons) with a sub-header "お得にごはんが食べられます" (You can eat delicious food at a discount). This section contains four coupon cards:

- サブウェイ** (Subway): "サブウェイのクーポン" (Subway coupon), "サブウェイ イベリコ豚の黒カルピ+ドリンク(S) クーポン価格" (Subway Iberico pork black calypso + drink (S) coupon price).
- ロッテリア** (Rotteria): "ロッテリアのクーポン" (Rotteria coupon), "ロッテリア 塩麹ロースカツバーガー+ドリンクS 400円!" (Rotteria salt-cured roast pork burger + drink S 400 yen!).
- 牛角** (Gyūgaku): "牛角のクーポン" (Gyūgaku coupon), "牛角 飲食ご利用 500円割引" (Gyūgaku dining discount 500 yen).
- バーガーキング** (Burger King): "バーガーキングのクーポン" (Burger King coupon), "株式会社バーガーキング・ジャパン BKクラノーラ サンデー 40円OFF" (Burger King Japan BK Cranola Sunday 40 yen off).

- Sales tie-up with Ymobile Corporation contributed to the increase.
- Renewal of Yahoo! Premium site has provided easier access to more than 1,700 membership privileges.

An image of renewed Yahoo! Premium site

Settlement & Finance

Other Businesses

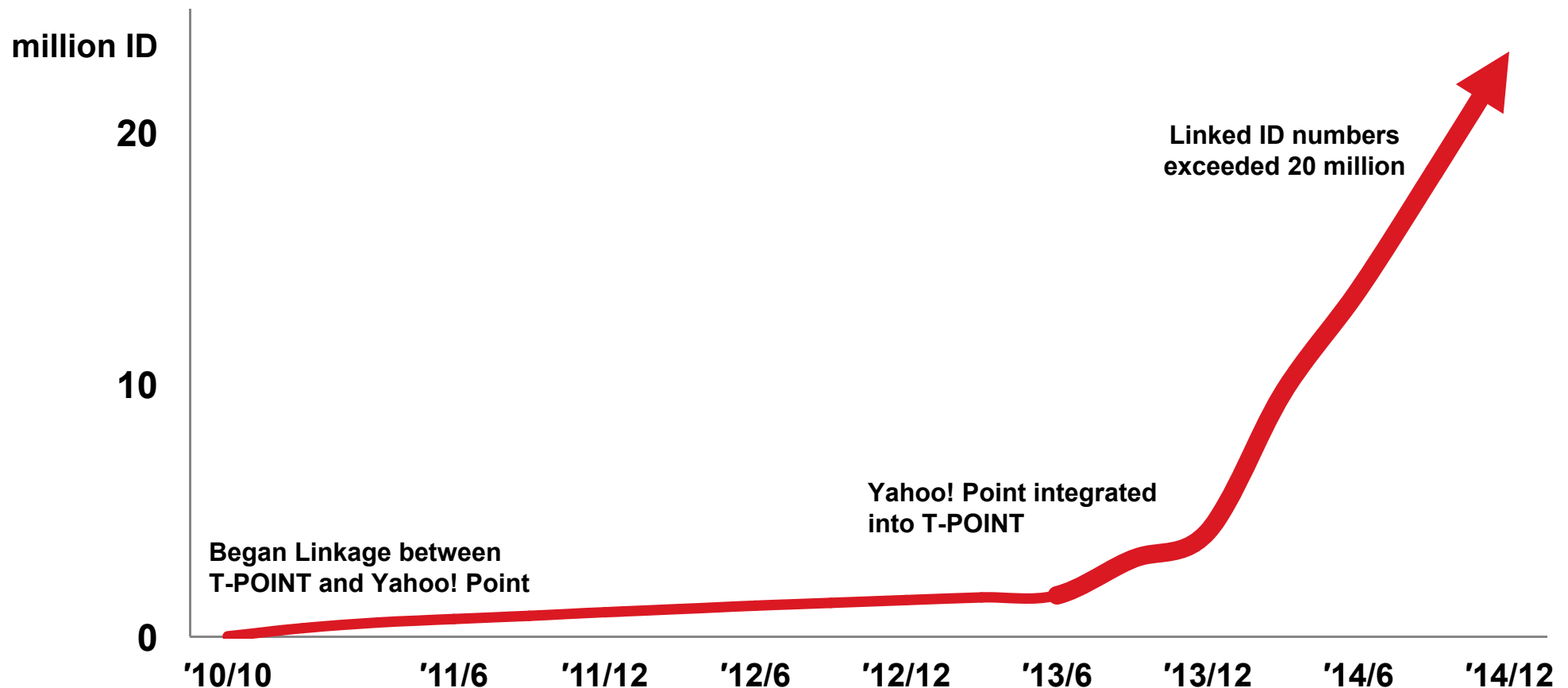
Made YJ Card Corporation a Consolidated Subsidiary as of January 5.

- Purchased 65.0% of shares of KC Co. Ltd. and changed its name to YJ Card Corporation**

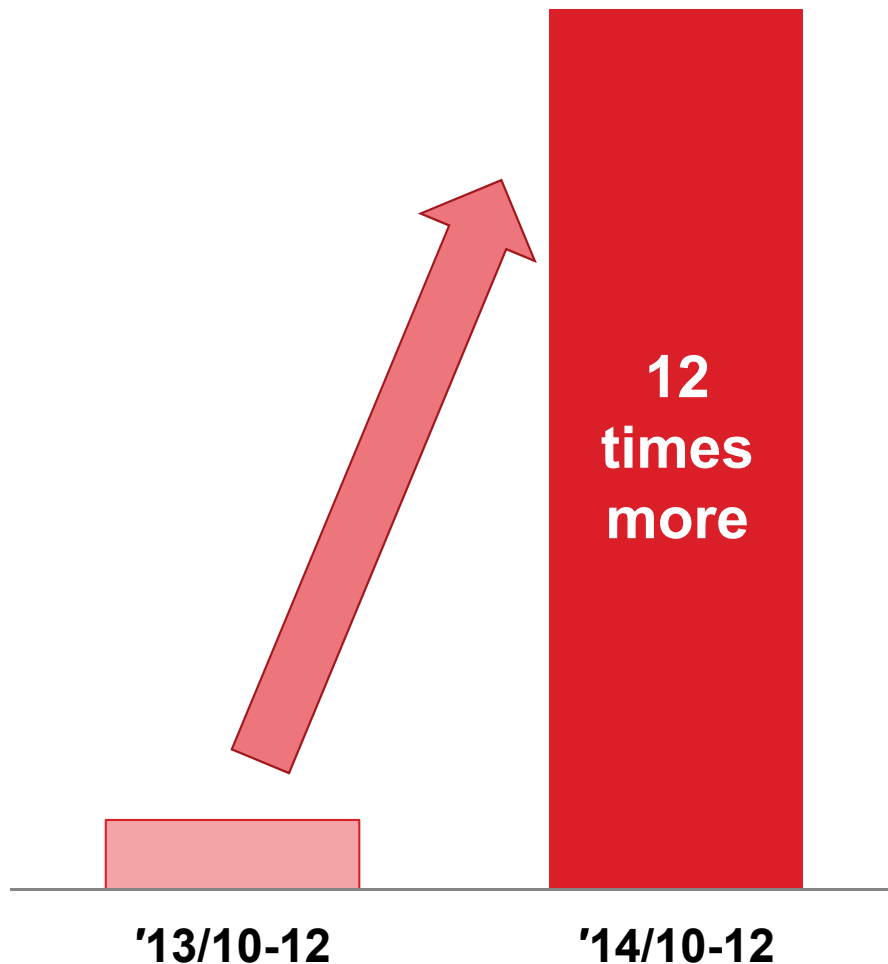
*SoftBank Payment Service Corp. purchased 35.0%.

- We expect synergies with our e-commerce services and credit card businesses, and aim to establish a new revenue source in settlement and financial services.**

Number of Yahoo! JAPAN IDs Linked with T-POINT exceeded 20 million IDs



“Yahoo! Tax and Public Utility Payment” Transaction value on “Home Town Tax Plans” expanded **12 times** on a YoY basis



**Covering 448 local Governments,
3 times larger compared to the
same period last year, out of
approx. 1,800 countrywide.**

Yahoo! JAPAN Goals Are...

**330 Billion Yen in Operating Income
by FY Ending March 201X.**

**No.1 in Transaction Value
in the e-Commerce Market by FY201X.**

Supplemental Information

- P. 62 Quarterly Business Results**
- P. 76 Quarterly Business Data**
- P. 78 Organization, Personnel and
Affiliated Companies**

Yahoo Japan Corporation has adopted International Financial Reporting Standards (IFRSs) beginning with the first quarter of the fiscal year ending 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.

FY2014-3Q Consolidated Statements of Income

	2013-3Q	2014-3Q	Change
Revenue (¥100M)	1,027	1,075	4.7 %
Cost of Sales (¥100M)	192	217	12.8 %
Gross Profit (¥100M)	835	858	2.8 %
SG&A and others (¥100M)	336	358	6.5 %
Operating Income (¥100M)	498	499	0.3 %
Other Non-operating Income and Expenses (¥100M)	1	3	89.9 %
Equity in Earnings (Losses) of Associates (¥100M)	0	5	439.9 %
Income before Income Taxes (¥100M)	501	508	1.4 %
Quarterly Net Income (¥100M)	317	336	6.2 %
Net Income Attributable to Owners of the Parent (¥100M)	314	334	6.5 %
Diluted EPS (¥) *	5.48	5.88	7.2 %
Number of Shares after Dilution (million) **	5,734	5,692	-0.7 %

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

** Number of Shares after Dilution excludes treasury stock.

Reference: Comparison of Main Line Items of Consolidated Statements of Income

for the FY2013-3Q ended December 31, 2013, under IFRSs and JGAAP

(¥ 100M)

JGAAP	
Net Sales	968
Cost of Sales	122
Gross Profit	846
SG&A	353
Operating Income	492
Non-operating Income	3
Non-operating Expenses	0
Extraordinary Income	0
Extraordinary Losses	4
Income before Income Taxes and Minority Interests	490
Income Taxes	182
Income before Minority Interests	307

IFRSs	
Revenue	1,027
Cost of Sales	192
Gross Profit	835
SG&A and Others	336
Operating Income	498
Other Non-operating Income	2
Other Non-operating Expenses	0
Equity in Earnings (Losses) of Associates	0
Income before Income Taxes	501
Income Taxes	184
Net Income	317

The Major Changes

TACs (Traffic Acquisition Costs) in advertising and commissions for settlement and others are presented on a gross basis

- Goodwill is not amortized
- Other Income/Expenses (Reclassified from Non-operating Income/Expenses and Extraordinary Income/Losses)
- Depreciation method for Fixed Assets has changed

FY2014-3Q Performance Breakdown by Business Segment

(¥ 100M)

	Revenue	Revenue Breakdown	Cost of Sales	SG&A and others	Operating Income	Operating Margin
Marketing Solutions Business	756	Advertising Business Services Personal Services Intra-Company Revenue	185	179	391	51.8%
Consumer Business	264	Advertising Business Services Personal Services Intra-Company Revenue	7	100	157	59.4%
Others	82	Advertising Business Services Personal Services Intra-Company Revenue	27	20	34	41.6%
Adjustments	-27	Advertising Business Services Personal Services Intra-Company Revenue	-2	58	-82	-
Total	1,075		217	358	499	46.5%

Business Segment Breakdown

Marketing Solutions Business

- **Advertising: Paid search advertising “Sponsored Search”**
Display advertising (Interest-based advertising (YDN), Premium advertising)
- **Business Services: Data Center-related, Affiliate-related, Yahoo! Real Estate, CRM-related, Individual, Yahoo! WebHosting and others**
- **Personal Services: Pay digital content, Video-related, Yahoo! Partner and others**

Consumer Business

- **Advertising: Display advertising**
- **Business Services: Corporate system-use fees of YAHUOKU!, Automobile-related, Yahoo! Travel, Yahoo! BB incentive fees and others**
- **Personal Services: Yahoo! Premium, Personal system-use fees of YAHUOKU!, Yahoo! BB ISP fees, Yahoo! Mail and others**

Others

- **Advertising: Display advertising**
- **Business Services: Credit card-related service, Settlement-related services and others**
- **Personal Services: FX-related service, Credit card-related service, Settlement-related services, and others**

* Since Automobile-related and other services were moved to different companies than before in the third quarter of the fiscal year ending March 2015, some major products have been transferred between segments.

Quarterly SG&A and Other Income/Expenses Breakdown

(¥ 100M)

Major Factors for YoY Changes

	13/3Q	14/2Q	14/3Q	Composition Ratio	QoQ Change	YoY Change
Personnel Expenses	109	114	118	33.2%	3.5%	8.4%
Business Commissions	43	45	43	12.0%	-5.8%	-1.0%
Depreciation and Amortization	26	34	35	9.9%	3.3%	33.0%
Sales Promotion Costs	38	40	33	9.4%	-17.3%	-12.7%
Royalties	28	27	29	8.1%	4.0%	3.3%
Content Provider Fees	23	29	28	8.0%	-1.9%	19.9%
Lease and Utility Expenses	18	23	22	6.3%	-4.7%	21.6%
Communication Charges	14	14	13	3.9%	-4.5%	-4.9%
Advertising Costs	8	5	9	2.7%	72.4%	21.7%
Administrative and Maintenance Expenses	7	9	9	2.6%	1.6%	28.6%
License Fees	4	6	8	2.3%	25.6%	76.6%
Taxes and Public Dues	2	3	3	0.9%	-7.6%	21.2%
Sales Commissions	2	2	2	0.8%	12.7%	0.7%
Travel and Transportation Expenses	2	2	2	0.6%	-24.1%	-7.7%
Impairment Losses	4	1	2	0.6%	67.8%	-56.4%
Others	0	2	-4	-1.3%	n.a.	n.a.
Total SG&A and others	336	364	358	100.0%	-1.8%	6.5%

Number of employees reached 6,850, up 630 persons (10.1%)

Increase due to acquisition of computer server and network-related equipment

In Yahoo! Shopping and other businesses, focused on cost effective promotional activities which would lead to continuous growth.

Increase of search system-related costs

Increase of costs for moving some sections of offices

Decrease due to capitalization of expenses such as personnel expenses

* Total SG&A and others includes Other Income and Expenses.

FY2014-3Q Consolidated Statements of Financial Position

Major Items	2014/3/31	2014/12/31	(¥ 100M)	Major Factors for Increase/Decrease
			Increase/ Decrease	
< Assets >				
Current Assets	6,587	6,819	232	
Cash and Cash Equivalents	4,823	4,799	-24	
Trade and Other Receivables	1,603	1,846	242	Increase in balances of foreign exchange dealings cash-deposits with trust banks
Other Financial Assets/Other Current Assets	159	173	13	
Non-current Assets	1,912	2,276	363	
Property and Equipment	601	638	36	
Goodwill	158	189	31	Increase in computer software
Intangible Assets	178	281	102	
Investments Accounted for Using the Equity Method	343	608	265	
Other Financial Assets/Other Non-current Assets	506	496	-10	Conversion of non-voting shares of The Japan Net Bank, Limited
Total Assets	8,499	9,095	596	
< Liabilities >				
Current Liabilities	2,183	2,077	-105	
Trade and Other Payables	1,425	1,554	128	Increase in balances of foreign exchange dealings deposits from customers
Income Taxes Payable	456	124	-331	Payment of income taxes and others
Other Non-current Liabilities	39	40	1	
Total Liabilities	2,222	2,118	-104	
< Equity >				
Equity Attributable to Owners of the Parent	6,196	6,908	711	
Common Stock	82	82	0	Decrease due to additional purchase of shares of subsidiaries
Capital Surplus	38	14	-24	
Retained Earnings	5,980	6,728	748	Increase in Net Income Attributable to Owners of the Parent
Treasury Stock	-5	-13	-7	
Accumulated Other Comprehensive Income	100	95	-4	
Non-controlling Interests	80	69	-10	
Total Equity	6,277	6,977	700	
Total Liabilities and Equity	8,499	9,095	596	

FY2014-3Q Consolidated Statements of Cash Flows

(¥ 100M)

Major Items	FY2014-3Q (Oct. - Dec. 2014)	Major Factors for Changes
<u>Operating Activities</u>	<u>104</u>	
Income before Income Taxes	508	
Depreciation and Amortization	43	
Increase/Decrease in Trade and Other Receivables/Payables	-144	Increase in balances of foreign exchange dealings cash-deposits with trust banks
Increase/Decrease in Other Current Assets/Liabilities	-8	
Increase/Decrease in Other Financial Assets/Liabilities	71	
Payment of Income Taxes	-370	
<u>Investing Activities</u>	<u>-114</u>	
Acquisition of Tangible Fixed Assets	-43	
Acquisition of Intangible Assets	-32	
Expenditures on Investment Securities	-5	
Proceeds from Sales of Securities	8	
Payments for Lease and Guarantee Deposits	-44	Deposits for new office space we are planning to move to in 2016
<u>Financing Activities</u>	<u>-46</u>	
Additional Acquisition of Shares of Subsidiaries	-46	Acquisition of shares of Carview Corporation
<u>Net Change in Cash and Cash Equivalents</u>	<u>-54</u>	

FY2014-3Q Highlights

– Marketing Solutions Business

Paid search advertising [Sponsored Search]

- Smartphone advertising revenue expanded substantially year on year due to increased search volume via smartphones. On the other hand, PC advertising revenue decreased compared with the same quarter last year.
- Sponsored Search revenue decreased by 2.1% from the third quarter last year.

Display advertising

(Interest-based advertising (YDN), Premium advertising)

- YDN revenue expanded sharply year on year.
- In Premium advertising, revenue of advertising products with a highly effective branding impact (Rich Ad) continued to increase.
- Increased revenue of Yahoo! Premium DSP and Video Advertising contributed to revenue growth.
- Overall revenue of display advertising rose by 19.2% compared with the third quarter last year.

(¥ 100M)

Marketing Solutions Business	2013-3Q	2014-3Q	YoY Change
Revenue	715	756	5.6%
Operating Income	387	391	1.0%

FY2014-3Q Highlights

– Consumer Business

YAHUOKU!

- Transaction value has kept growing year on year even after 1-year anniversary of new e-commerce strategies. In particular, transaction value via smartphones grew mainly due to improved functionality of smartphone applications.

Yahoo! Shopping

- The number of stores and merchandise continued to increase. The transaction value of Yahoo! Shopping grew compared with the third quarter last year.

Yahoo! Premium

- The number of Yahoo! Premium membership IDs on December 31, 2014 climbed year on year to 10.3 million IDs.

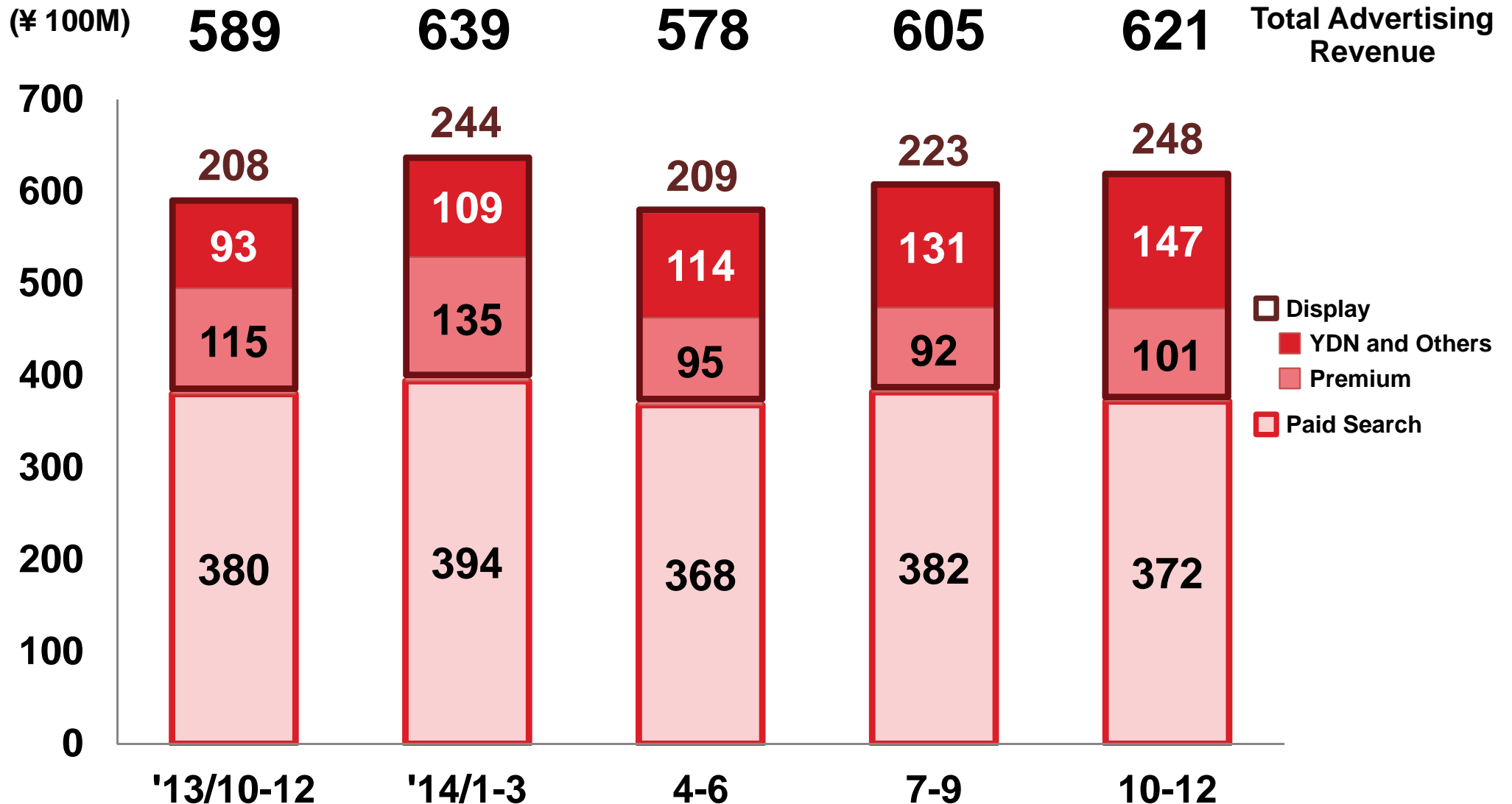
(¥ 100M)

Consumer Business	2013-3Q	2014-3Q	YoY Change
Revenue	258	264	2.5%
Operating Income	141	157	11.2%

Advertising Products

Advertising Products (Main Purpose)		Main Format	Fee Calculation	Placement Pages	Main Advertiser Base
Paid Search Advertising “Sponsored Search” (sales promotion)		Text	Performance- based: Per-click rate determined by keyword auction bid price	Search results pages	Major corporations
Display Advertising	YDN and Others	Interest-based Advertising “Yahoo! Display Ad Network”(YDN) (sales promotion)		Text Banner	Top page Interior pages of service sites
		Premium DSP (sales promotion)	Banner	Performance- based: Per-impression page view rate determined by auction bid price	
	Premium Advertising (branding and image enhancement)		Banner Video	Impression guarantee- based: Per-impression page view rate determined by contract	

Revenue Trends by Advertising Products



The Company has adopted IFRSs beginning with FY2014. Figures for FY2013 are restated on an IFRS basis.

Paid Search Advertising Revenue by Industry

Industries with large year-on-year increase

- Mail Order/Retail
- Finance/Insurance
- Foodstuffs/Beverages/Cigarettes

Industries with large year-on-year decrease

- Internet/Information Processing Services
- Fashion/Accessories
- Real Estate

	13/3Q	4Q	14/1Q	2Q	3Q
Finance/Insurance	9.2%	10.1%	10.0%	10.0%	10.4%
Travel/Transportation	9.6%	9.9%	10.5%	12.2%	9.4%
Mail Order/Retail	7.1%	6.0%	6.0%	6.3%	8.4%
Real Estate	6.0%	7.7%	5.9%	6.1%	5.5%
Recruitment and Human Resources Services	5.3%	5.2%	5.2%	5.0%	5.1%
Interior/Renovation/Household Equipment	4.3%	4.3%	4.3%	4.1%	4.5%
Medical/Welfare Services	4.6%	4.5%	4.7%	4.4%	4.5%
Fashion/Accessories	5.3%	4.4%	4.3%	4.2%	4.5%
Foodstuffs/Beverages/Cigarettes	3.9%	3.7%	4.1%	4.3%	4.4%
Education/Qualification	4.6%	5.5%	4.8%	4.5%	4.3%
Internet/Information Processing Services	5.1%	4.3%	4.6%	4.0%	3.3%
Professional Equipment and Supplies	2.9%	2.8%	3.1%	2.8%	3.2%
Others	32.1%	31.6%	32.5%	32.1%	32.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

YDN Advertising Revenue by Industry

Industries with large year-on-year increase

- Finance/Insurance
- Foodstuffs/Beverages/Cigarettes
- Health and Beauty Services/Goods

	13/3Q	4Q	14/1Q	2Q	3Q
Finance/Insurance	22.7%	21.6%	21.9%	18.9%	18.4%
Foodstuffs/Beverages/Cigarettes	10.2%	7.6%	10.0%	8.8%	9.3%
Cosmetics/Toiletries/Daily Necessities	8.9%	6.9%	8.2%	7.9%	7.4%
Real Estate	7.9%	10.8%	8.5%	8.1%	7.0%
Recruitment and Human Resources Services	5.9%	6.1%	5.9%	5.5%	5.7%
Education/Qualification	4.5%	5.7%	4.0%	4.2%	4.5%
Travel/Transportation	3.5%	3.7%	4.0%	4.7%	4.1%
Health and Beauty Services/Goods	3.0%	2.4%	3.1%	4.2%	3.9%
Autos/Transport Equipment	2.8%	3.2%	2.7%	3.5%	3.6%
Fashion/Accessories	2.6%	2.1%	2.5%	2.6%	3.5%
Wedding, Matching and Ceremonial Services	2.5%	2.5%	2.7%	3.2%	3.4%
Home Electronics/Information Equipment/Cameras	2.3%	2.6%	1.8%	2.0%	3.4%
Others	23.2%	24.8%	24.7%	26.4%	25.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

* Some parts of advertising revenue are not categorized.

Premium Advertising Revenue by Industry

Industries with large year-on-year increase

- Precision Equipment (Cameras/Clocks/Digital Cameras)
- Broadcasting
- Mobile Communications Services

Industries with large year-on-year decrease

- Transportation/Leisure
- Real Estate/Construction
- Finance/Insurance/Securities

	13/3Q	4Q	14/1Q	2Q	3Q
Autos and Accessories (Transport Equipment)	10.8%	12.9%	10.7%	14.6%	12.2%
Finance/Insurance/Securities	10.7%	10.7%	9.1%	7.7%	8.7%
Transportation/Leisure	10.3%	10.0%	11.4%	8.2%	7.6%
Real Estate/Construction	9.6%	11.5%	9.7%	9.1%	7.0%
Cosmetics/Toiletries	7.5%	6.2%	11.2%	6.8%	6.7%
Foodstuffs	7.7%	7.4%	8.4%	7.1%	6.4%
Mobile Communications Services	4.6%	6.1%	4.9%	9.4%	6.3%
Broadcasting	2.5%	2.0%	3.8%	2.0%	5.1%
Precision Equipment (Cameras/Clocks/Digital Cameras)	1.5%	1.0%	0.4%	1.5%	5.0%
Computers and Accessories/Office Equipment	5.1%	3.8%	2.0%	3.4%	5.0%
Beverages/Cigarettes	4.0%	5.6%	7.4%	5.7%	5.0%
Fashion/Accessories	3.7%	1.1%	2.1%	1.8%	4.6%
Others	22.0%	21.7%	18.9%	22.7%	20.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

* Advertising Revenue of Yahoo! Shopping and YAHUOKU! is excluded in the calculation of the revenue composition ratio.

Quarterly Business Data (1)

Indicator (Quarterly average)	Unit	2013/3Q	2013/4Q	2014/1Q	2014/2Q	2014/3Q	YoY Change
Number of total monthly page views	millions	55,149	56,502	59,468	62,483	60,561	9.8%
Number of total monthly smartphone page views (1)	millions	17,622	20,590	23,788	26,903	27,320	55.0%
Number of Daily UBs (Unique Browsers) (2)	millions	63.59	67.34	70.44	73.54	76.01	19.5%
Number of smartphone Daily UBs (1)(2)	millions	28.07	32.16	36.04	39.43	42.43	51.2%
Number of monthly active user IDs (3)	millions	27.62	27.88	27.85	28.29	28.89	4.6%
Number of Yahoo! Premium member IDs (quarter-end)	millions	9.67	9.87	9.66	9.87	10.30	6.5%

- (1) Monthly “Smartphone” page views and Daily UBs include access through iPhones/iPods, Android smartphones (with screen sizes of less than 7 inches), and Windows Phones. 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 smartphone applications is recorded separately from access via smartphone browsers.
- (3) Number of Yahoo! JAPAN IDs that are logged in each month.

Quarterly Business Data (2)

Indicator (Quarterly total)	Unit	2013/3Q	2013/4Q	2014/1Q	2014/2Q	2014/3Q	YoY Change
Auction-related transaction value (1)	100 millions of yen	2,051	1,988	1,952	1,920	2,215	8.0%
Shopping-related transaction value (2) *	100 millions of yen	948	968	842	895	1,028	8.4%
Total e-commerce transaction value (auction-related and shopping-related) *	100 millions of yen	3,000	2,957	2,795	2,815	3,244	8.1%
Total e-commerce transaction value via smartphones *	100 millions of yen	828	901	878	915	1,147	38.5%
Number of quarter-end YAHUOKU! stores (quarter-end) (3)	IDs	16,968	17,955	18,689	19,116	19,533	15.1%
Number of quarter-end Yahoo! Shopping stores (quarter-end) (3) *	IDs	29,411	78,307	134,448	193,168	243,896	8.3 times

(1) Definition of transaction value has been changed as of FY2014-2Q. Includes transaction value of “YAHUOKU!” and “tradecarview” (<http://www.tradecarview.com/>). Transaction value of “ClooShe” (application for smartphones) is included from April 2014. Same for “BOOKOFF Online” (<http://www.bookoffonline.co.jp/>) from May 2014. Prior figures have been restated retroactively.

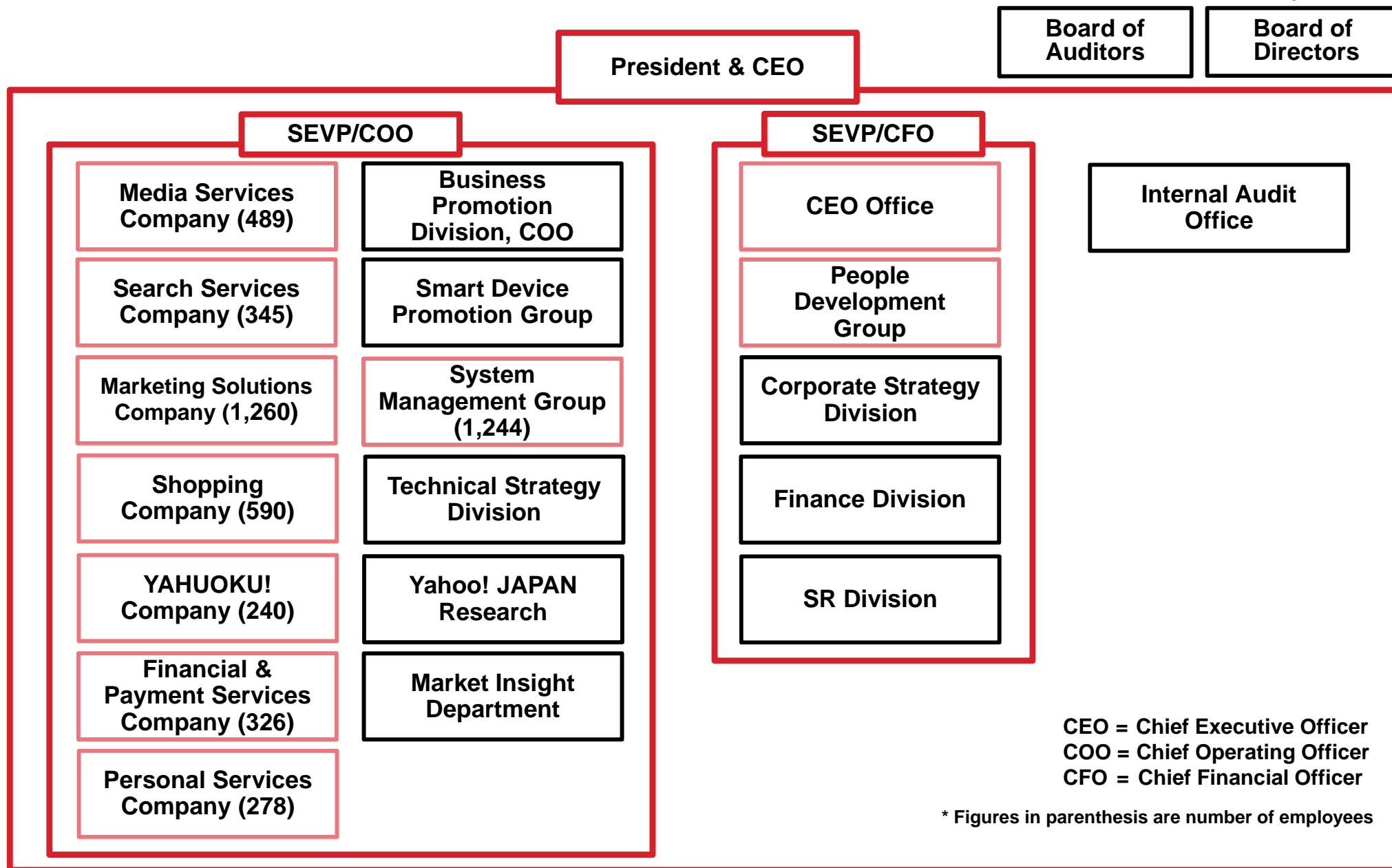
(2) Definition of transaction value has been changed as of FY2014-2Q. Includes transaction value of “Yahoo! Shopping”, “Yahoo! Travel”, Pay digital contents, “LOHACO”, “Yahoo! Restaurant Reservation” and others. Transaction value of settlement-related not included. Prior figures have been restated retroactively.

(3) Numbers of YAHUOKU! and Yahoo! Shopping stores are based on accounts issued. They include the number of accounts still preparing to launch store sites.

* As a result of adopting a more accurate calculation method, prior figures of Shopping-related transaction value, Total e-commerce transaction value, Total e-commerce transaction value via smartphones and Number of quarter-end Yahoo! Shopping stores have been restated retroactively.

Organization Chart of Yahoo Japan Corporation

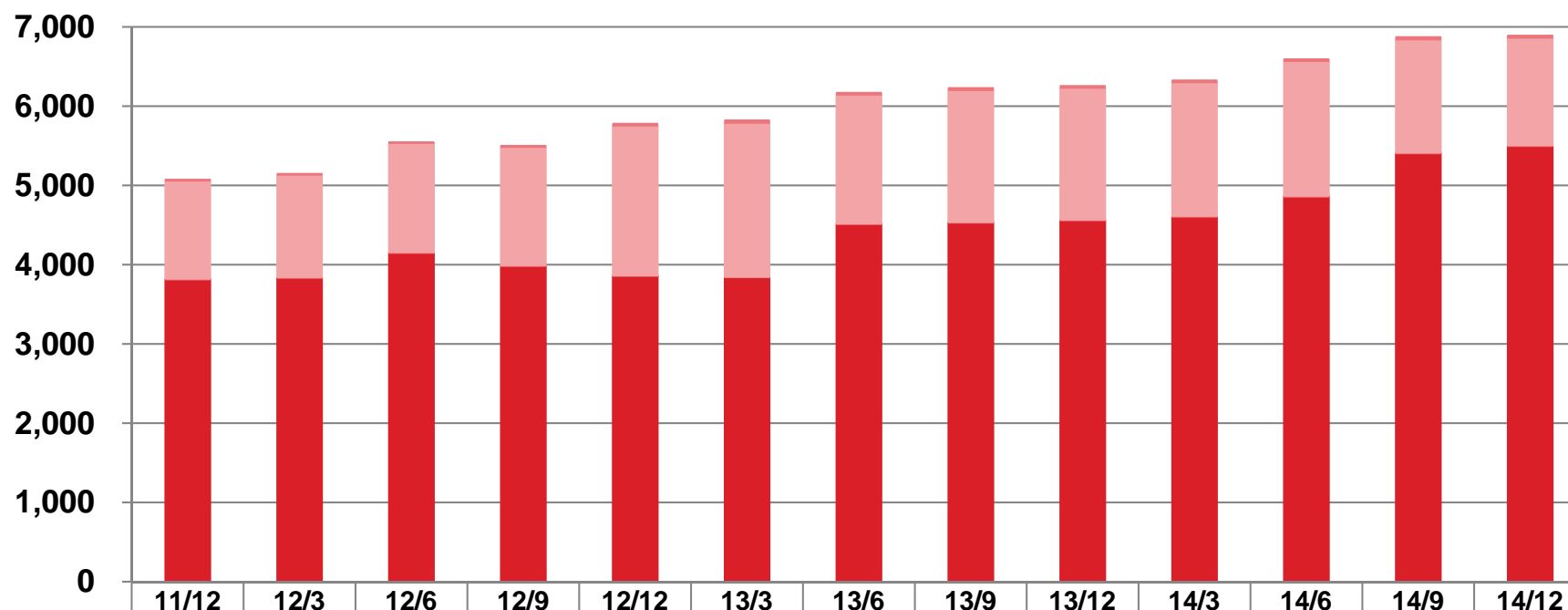
As of January 1, 2015



Number of Directors and Employees

(Number of People)

(at the End of Quarter)



	11/12	12/3	12/6	12/9	12/12	13/3	13/6	13/9	13/12	14/3	14/6	14/9	14/12
■ Directors and Auditors of Subsidiaries	18	18	14	20	31	35	30	33	31	30	30	38	33
■ Employees of Subsidiaries	1,234	1,288	1,373	1,491	1,885	1,938	1,620	1,660	1,658	1,684	1,695	1,421	1,352
■ Directors and Auditors of Yahoo Japan Corporation	9	8	9	9	8	8	9	9	9	9	11	11	11
■ Employees of Yahoo Japan Corporation	3,815	3,836	4,151	3,984	3,859	3,842	4,514	4,531	4,562	4,607	4,860	5,407	5,498
Total	5,076	5,150	5,547	5,504	5,783	5,823	6,173	6,233	6,260	6,330	6,596	6,877	6,894

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

Consolidated Subsidiaries and Associates

(as of December 31, 2014)

•Major consolidated subsidiaries at the end of FY2014-3Q

- ◆ Carview Corporation
- ◆ Firstserver, Inc.
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd
- ◆ Synergy Marketing, Inc.
- ◆ YJ Capital Inc.
- ◆ Y's Insurance Inc.
- ◆ Community Factory Inc.
- ◆ GYAO CORPORATION
- ◆ Indival, Inc.
- ◆ Qubital Data Science Co., Ltd.
- ◆ ValueCommerce Co., Ltd.
- ◆ YJFX, Inc.
- ◆ Y's Sports Inc.

•Major associates at the end of FY2014-3Q

- ◆ ASKUL Corporation
- ◆ The Japan Net Bank, Limited
- ◆ BOOKOFF CORPORATION LIMITED



Yahoo Japan Group IR information is available at :
<http://ir.yahoo.co.jp/en/>