



**Yahoo Japan Corporation**  
**FY2015 Full Year & 4Q Business Results**  
(Apr. 2015-Mar. 2016/Jan.-Mar. 2016)

**April 28, 2016**

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Yahoo Japan Corporation adopted International Financial Reporting Standards (IFRSs) beginning with the first quarter of the fiscal year ended 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 Fiscal Year and the Three Months Ended March 31, 2016.”

The unauthorized use of the information or the data in this document is not permitted.

# **FY2015 Full Year Financial Highlights**

# Executive Summary for FY2015



<b>Revenue</b>	<b>652.3 (¥B)</b>	<b>YoY +52.2%</b>	
<b>Operating income</b>	<b>224.9 (¥B)</b>	<b>YoY +14.1%</b>	
<b>Net income attributable to owners of the parent</b>	<b>171.6 (¥B)</b>	<b>YoY +29.0%</b>	
<b>Diluted EPS</b>	<b>¥30.1</b>	<b>YoY +29.0%</b>	
<b>FY2015 year-end cash dividends forecast (Per share)</b>	<b>¥8.86</b>	<b>-</b>	
<b>Advertising-related revenue</b>	<b>266.9 (¥B)</b>	<b>YoY +6.8%</b>	<b>Via smartphones 41.4%</b>
<b>Paid search advertising</b>	<b>140.4 (¥B)</b>	<b>YoY -7.7%</b>	
<b>Display advertising</b>	<b>126.4 (¥B)</b>	<b>YoY +29.4%</b>	
<b>Total domestic e-commerce transaction value *1</b>	<b>1.5 (¥T)</b>	<b>YoY +26.5%</b>	<b>Via smartphones *2 41.2%</b>
<b>ASKUL Corporation's BtoB-related revenue (transaction value) via Internet</b>	<b>116.8 (¥B)</b>		

\*1 Includes Shopping-related and Auction-related transaction values, and 7 months of ASKUL's non-consolidated BtoB-related revenue (transaction value; closing date: 20th of every month) via Internet. Shopping-related transaction value includes revenue (transaction value; closing date: 20th of every month) of LOHACO business, operated by ASKUL, and 2 months of Ikyu Corporation's transaction value.

\*2 Proportion of transaction values via smartphones in Shopping-related business and Auction-related business.

# Executive Summary for FY2015



## Advertising-Related Business

- Introduction of “time-line” format on smartphone version of Yahoo! JAPAN top page,etc. was successful.
- Growth of YDN and others drove the revenue growth of overall advertising revenue.

## e-Commerce-Related Business

- e-Commerce related revenue and profit increased dramatically as a result of the consolidation of ASKUL. (\*1)
- Growth rate of shopping-related transaction value (\*2) accelerated.
- Shopping-related advertising revenue increased remarkably.

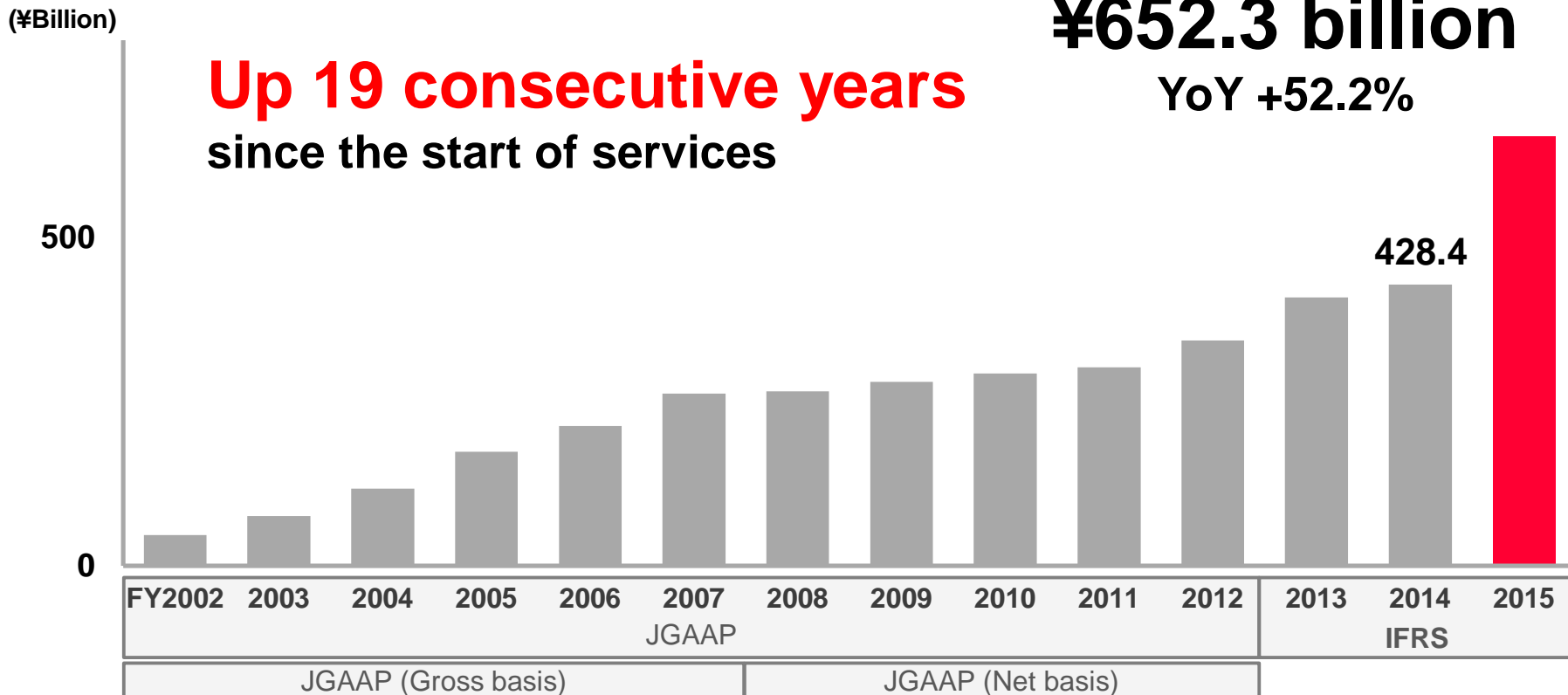
## Credit Card Business

- Number of card holders expanded largely due to the launch of Yahoo! JAPAN Card.

\*1 Operating income includes gain from remeasurement relating to business combination with ASKUL.

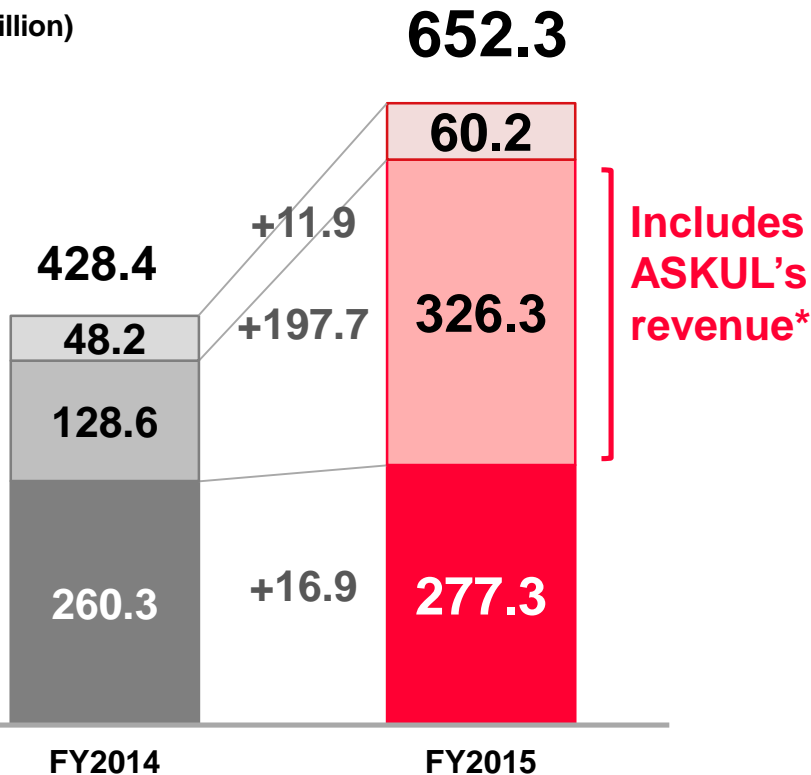
\*2 Includes transaction values of Yahoo! Shopping and LOHACO. LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.

# Full Year Revenue



# Full Year Revenue Breakdown

(¥Billion)



<b>Marketing Solutions Business</b>	YoY +6.5%
Display advertising revenue grew	
<b>Consumer Business *</b>	YoY 2.5x
Consolidation of ASKUL Corporation	
<b>Other Businesses</b>	YoY +24.9%
Consolidation of YJ Card Corporation	

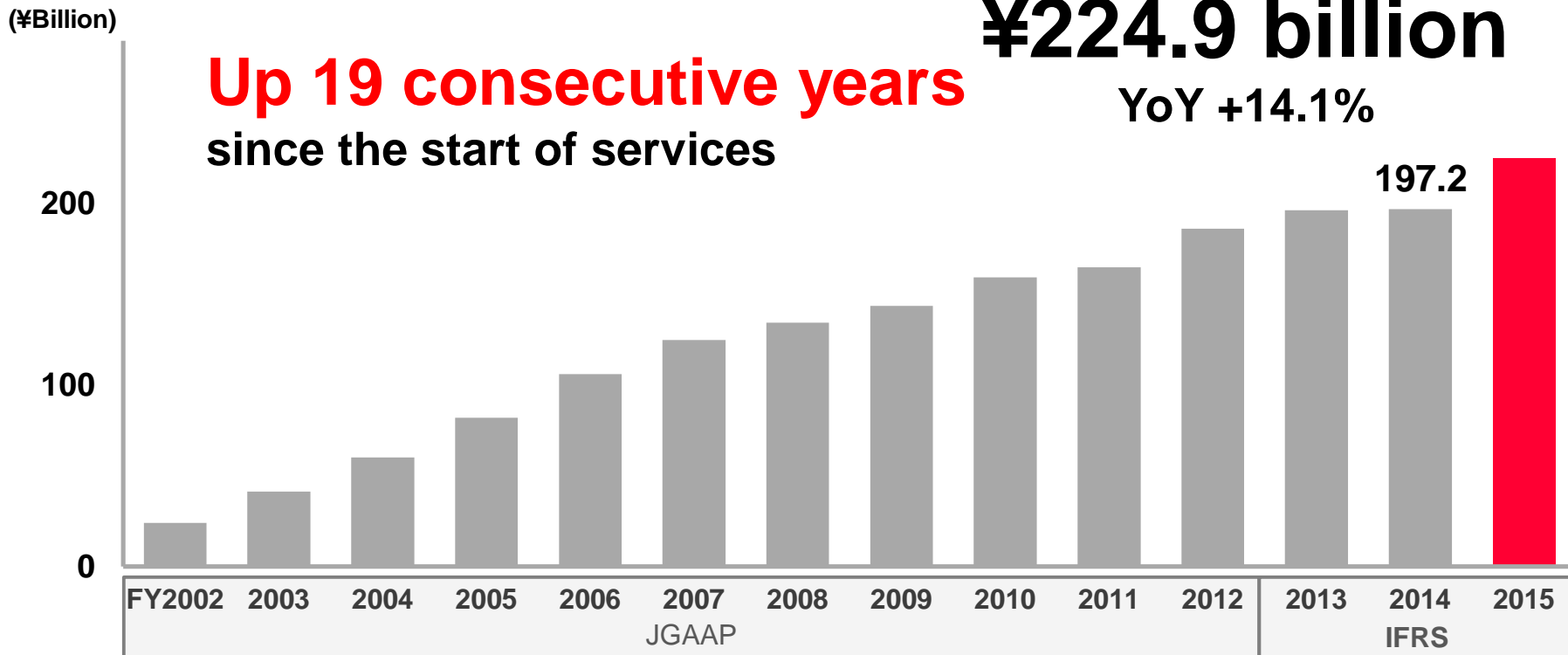
Note1: Figures for adjustments are not shown.

8 Note2: In cases where major services have been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

\* Includes ASKUL's revenue of ¥189.0 billion (revenue after the elimination of internal transactions within ASKUL group), and 2 months of Ikyu's revenue.

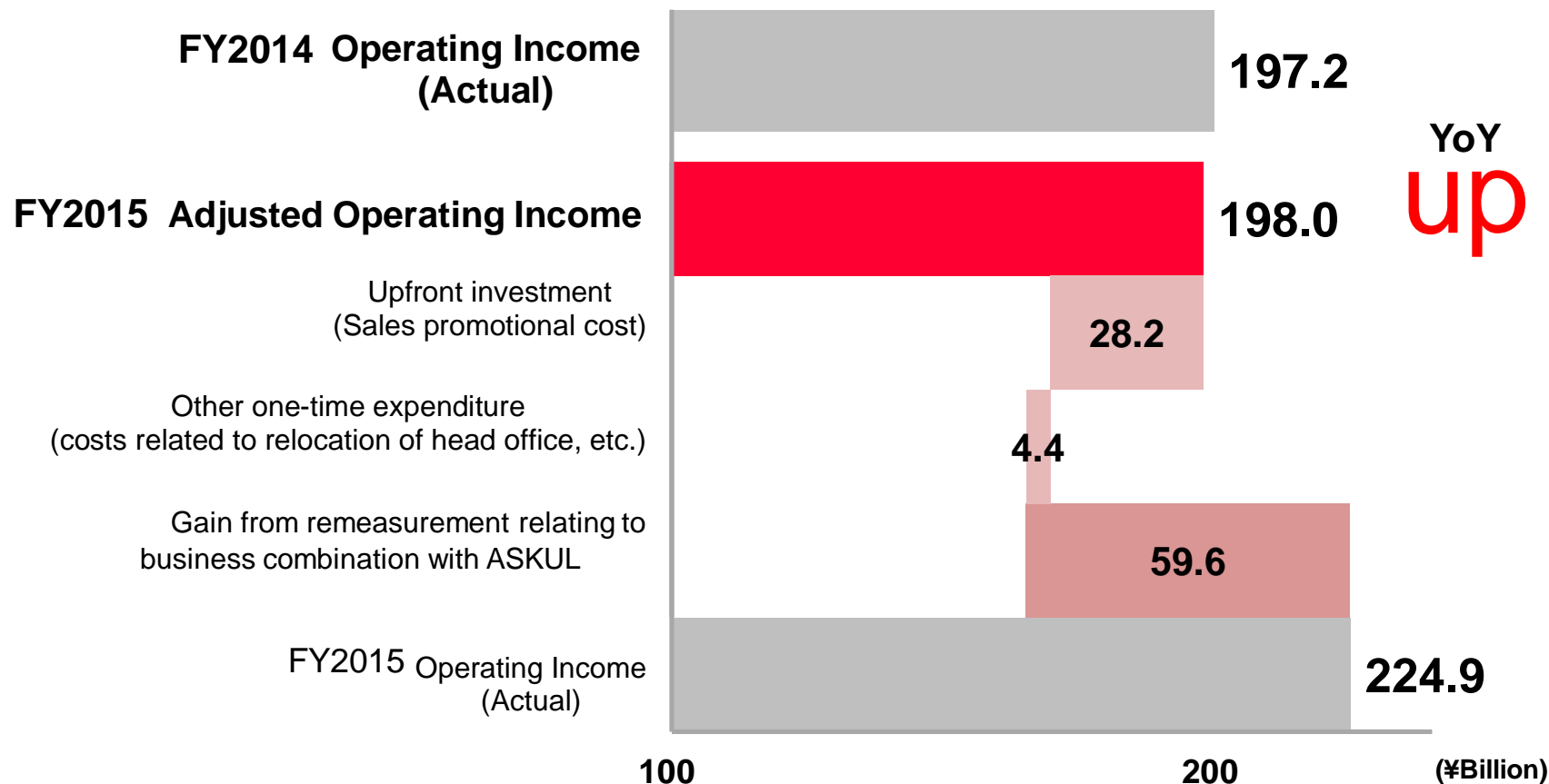


# Full Year Operating Income



Note: Operating income for FY2015 includes gain from remeasurement relating to business combination with ASKUL.

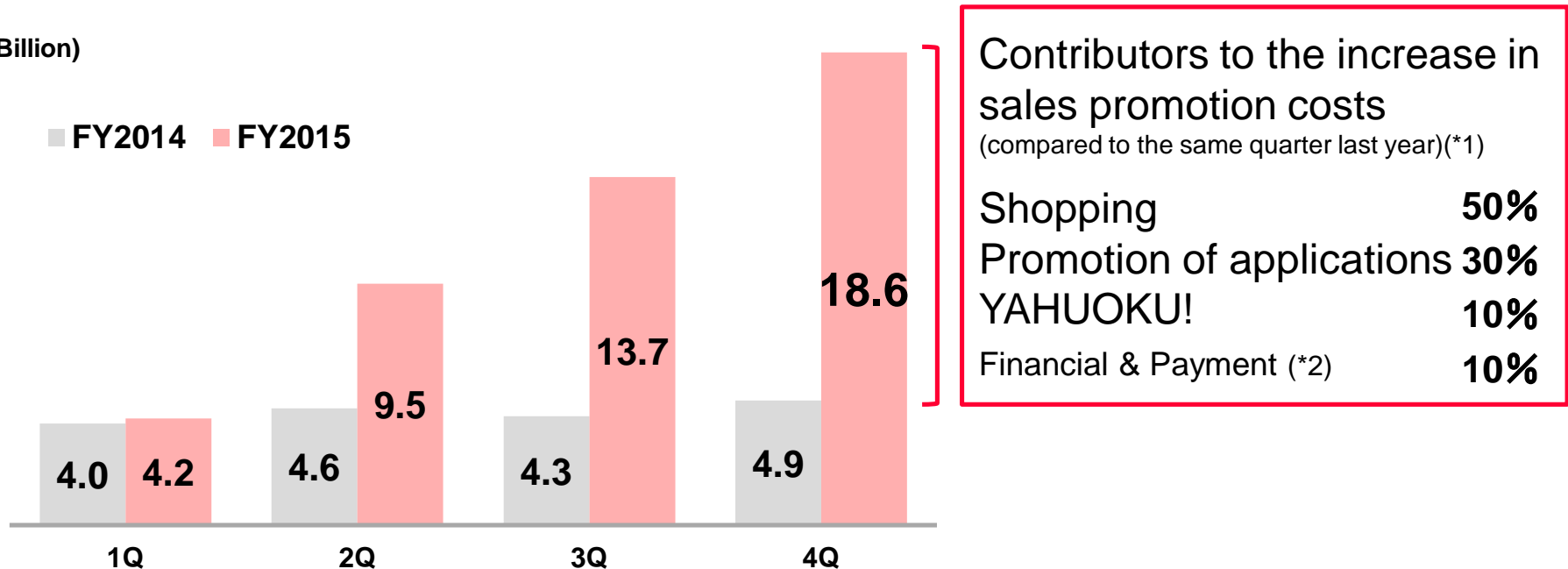
# Full Year Operating Income excluding One-Time Impact



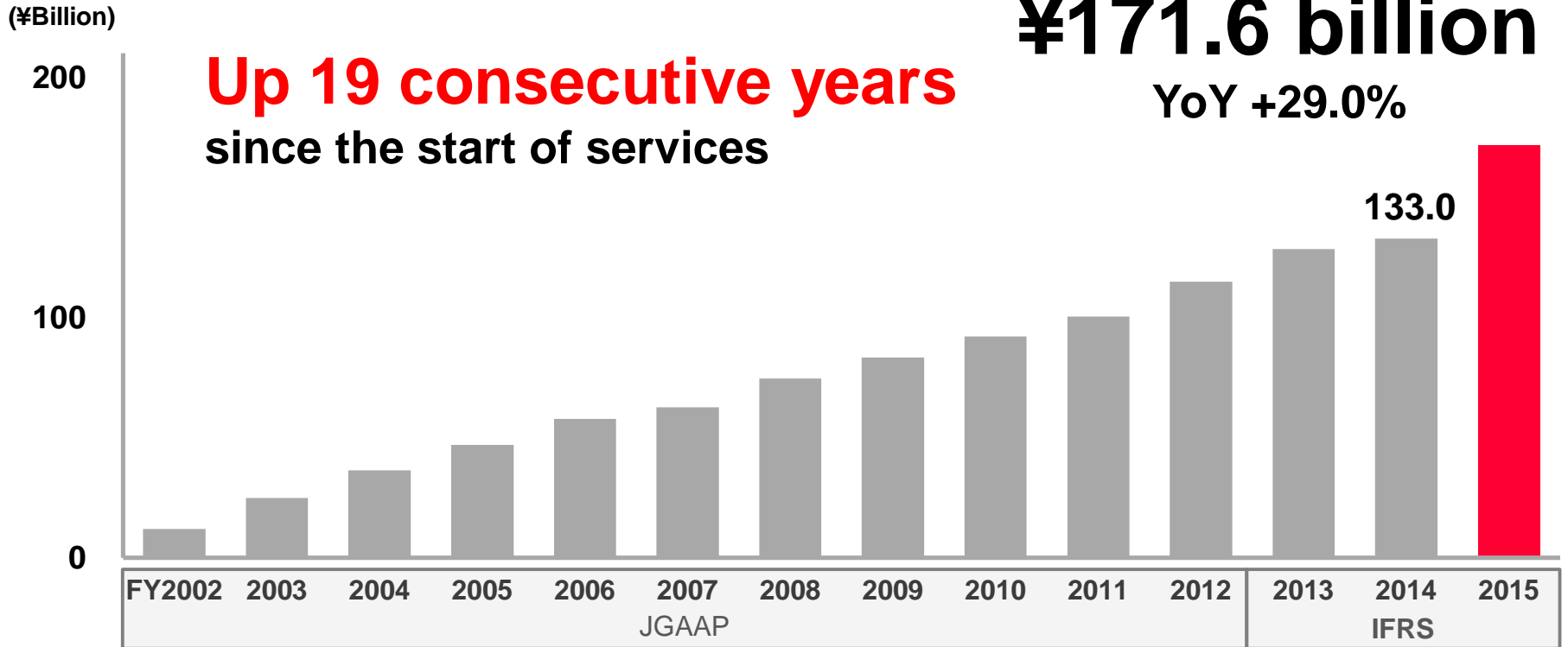
# Full Year Sales Promotional Activities **YAHOO!** JAPAN

Issuance and consumption of points exceeded our expectation due to the favorable growth in shopping business.

(¥Billion)

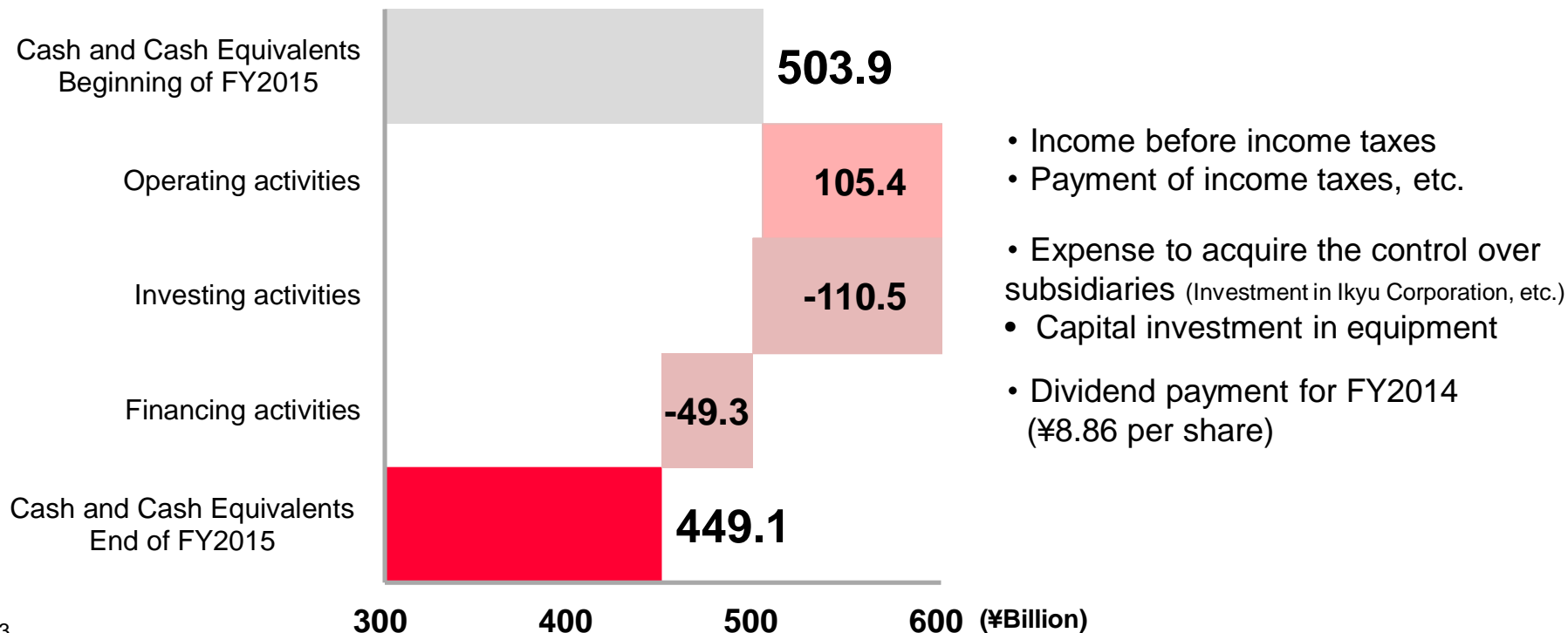


# Full Year Net Income Attributable to the Owners of the Parent



# Full Year Consolidated Cash Flows

Spent cash efficiently for new capital alliances and shareholders' return.



# **FY2015-4Q**

# **Financial Highlights**

# Executive Summary for FY2015-4Q

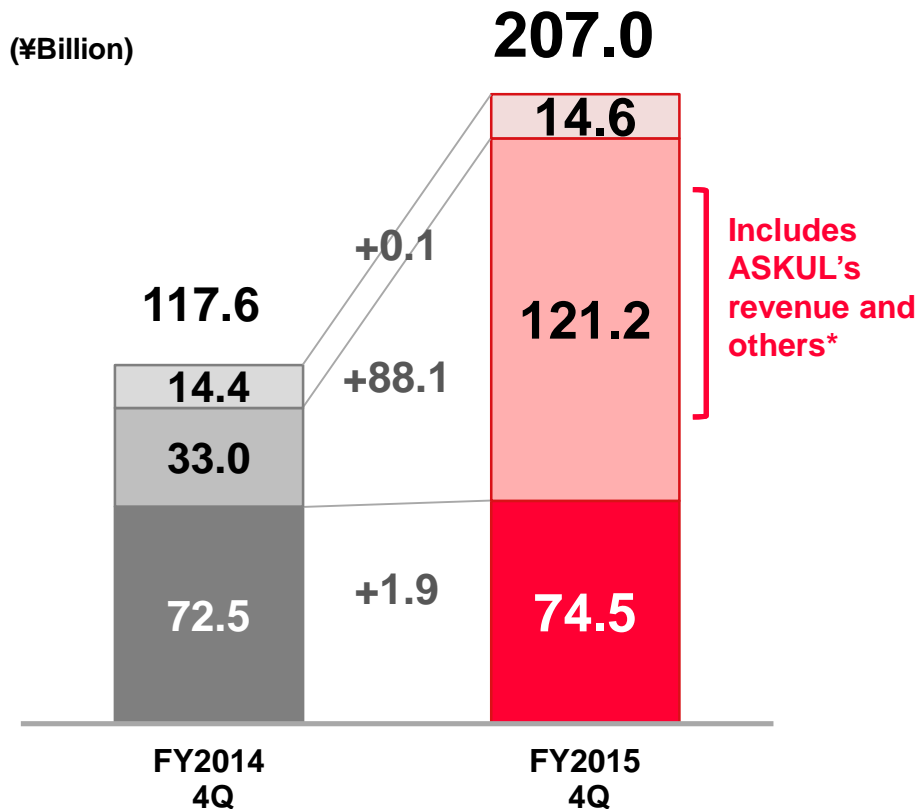


<b>Revenue</b>	<b>207.0 (¥B)</b>	<b>YoY +76.0%</b>	
<b>Operating income</b>	<b>29.9 (¥B)</b>	<b>YoY -42.9%</b>	
Net income attributable to owners of the parent	<b>18.0 (¥B)</b>	<b>YoY -45.1%</b>	
<b>Diluted EPS</b>	<b>¥3.1</b>	<b>YoY -45.1%</b>	
<b>Advertising-related revenue</b>	<b>71.7 (¥B)</b>	<b>YoY +3.5%</b>	Via smartphones 44.1%
Paid search advertising	<b>34.6 (¥B)</b>	<b>YoY -12.7%</b>	
Display advertising	<b>37.0 (¥B)</b>	<b>YoY +25.1%</b>	
<b>Total domestic e-commerce transaction value *1</b>	<b>432.1 (¥B)</b>	<b>YoY +41.6%</b>	Via smartphones *2 43.0%
<b>ASKUL Corporation's BtoB-related revenue (transaction value) via Internet</b>	<b>50.2 (¥B)</b>		

\*1. Includes Shopping-related and Auction-related transaction values, ASKUL's non-consolidated BtoB-related revenue (transaction value; closing date: 20th of every month) via Internet. Shopping-related transaction value includes revenue (transaction value; closing date: 20th of every month) of LOHACO business, operated by ASKUL, and 2 months of Ikyu Corporation's transaction value.

\*2 Proportion of transaction values via smartphones in Shopping-related business and Auction-related business.

# Quarterly Revenue Breakdown



## Marketing Solutions Business

YoY +2.7%

Display advertising revenue grew

## Consumer Business \*

YoY 3.7x

Consolidation of ASKUL Corporation

## Other Businesses

YoY +1.0%

Consolidation of YJ Card Corporation

Note1: Figures for adjustments are not shown.

16 Note2: In cases where major services have been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

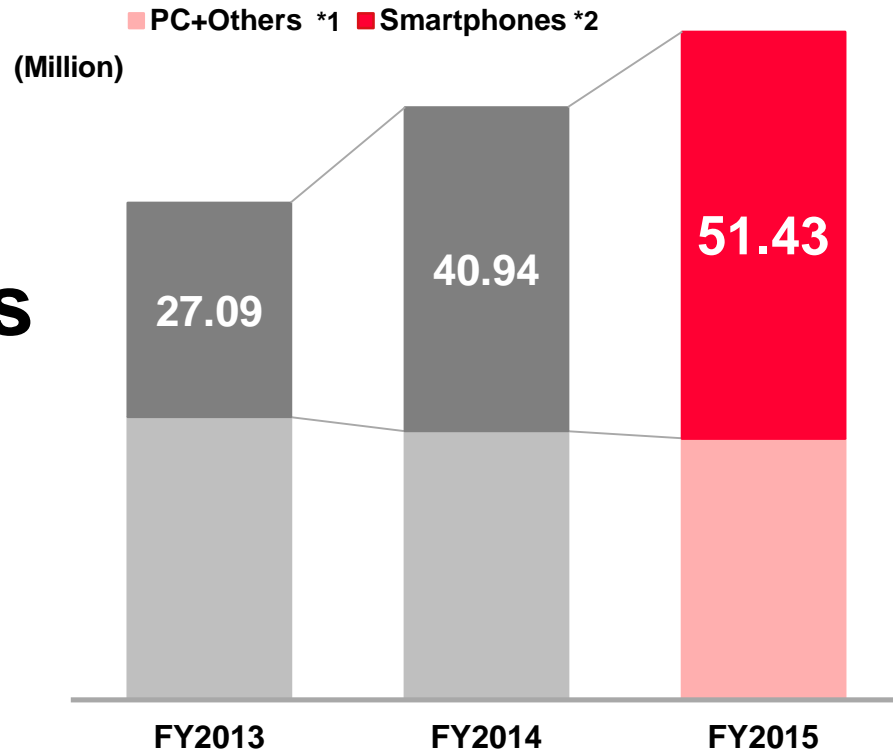
\* Includes ASKUL's revenue of ¥84.3 billion (revenue after the elimination of internal transactions within ASKUL group), and 2 months of Ikyu's revenue.



# Usage Trend of Services

# Daily Unique Browsers

Usage via smartphones  
YoY +25.6%



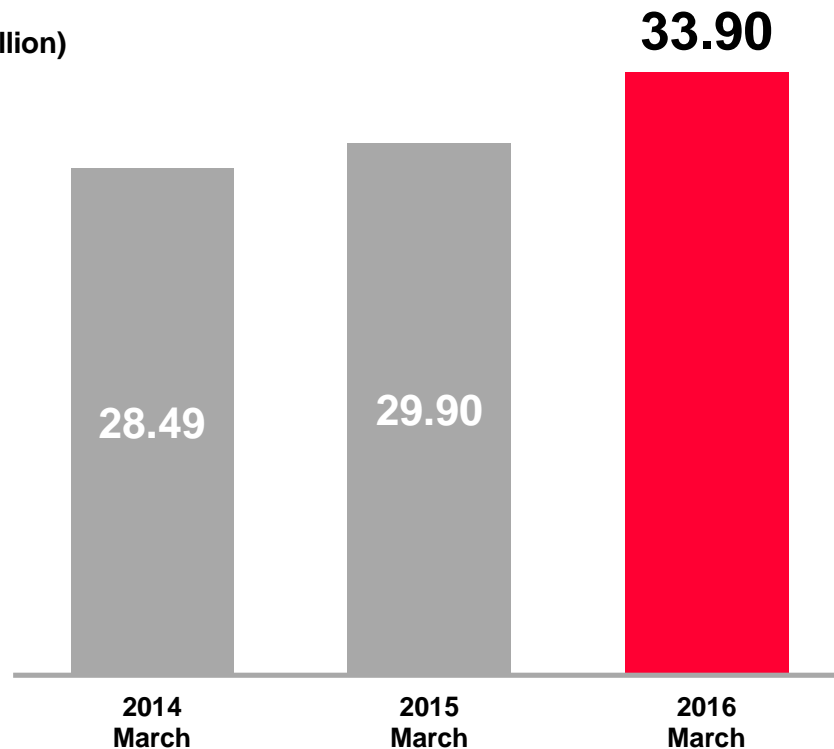
\*1 Yearly average; includes PCs, tablets and feature phones.

\*2 Yearly average; includes accesses to Yahoo! JAPAN via applications and browsers. Access via applications and access via browsers are counted separately, even if there is an overlap in users.

# Number of Monthly Active User IDs

**Exceeded  
30 million**  
through an aggressive  
promotion of logged-in usage

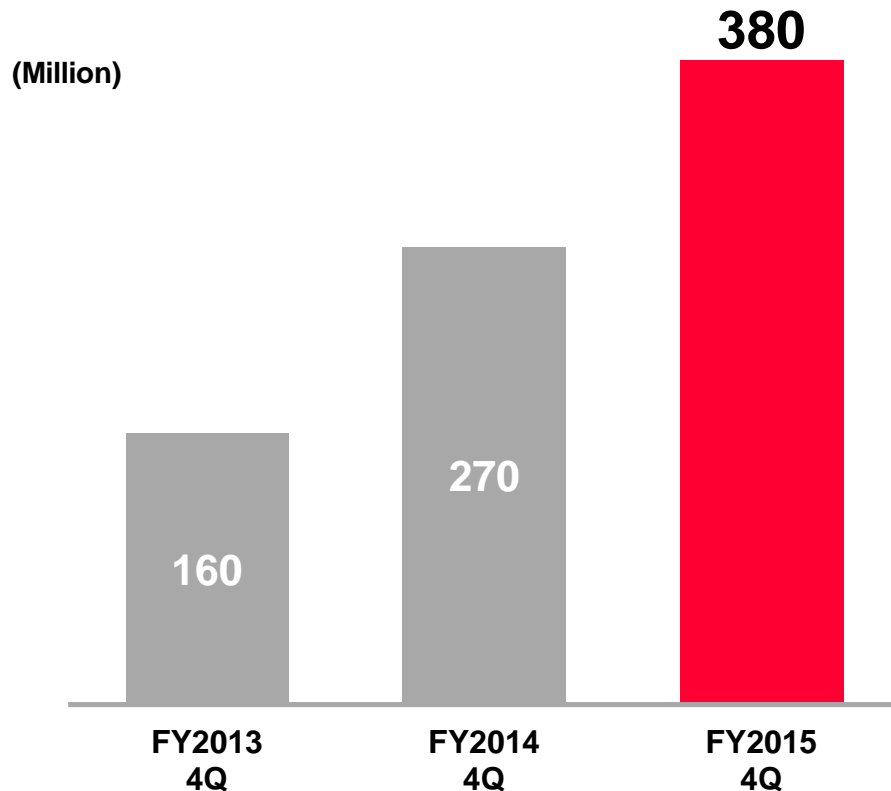
(Million)



# Number of Cumulative Downloads of Apps \*1

2015 Ranking of downloads  
for domestic application  
publishers \*2  
(excluding game applications):

**No.1 for two  
consecutive years**



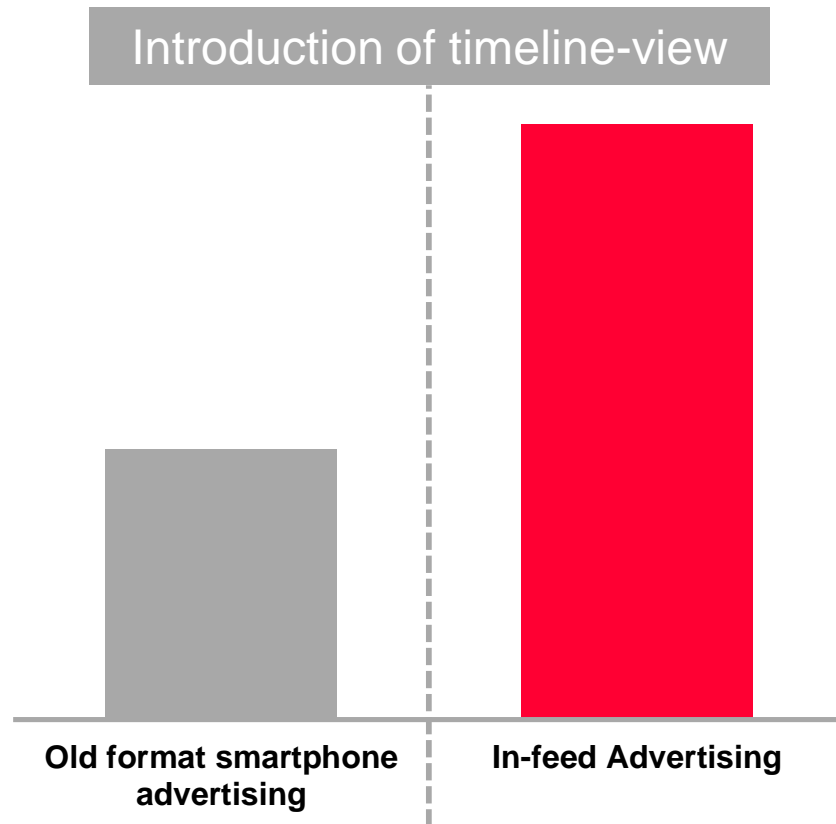
\*1 Cumulative numbers of downloads of iOS and Android applications published by Yahoo! JAPAN.

\*2 Source: App Annie Index: 2015 Retrospective, The Top App Trends of 2015

# Number of Clicks on Smartphone Top Page Advertisings \*

Introduction of In-feed Advertising  
in timeline-view increased the  
number of clicks

**2.2x**



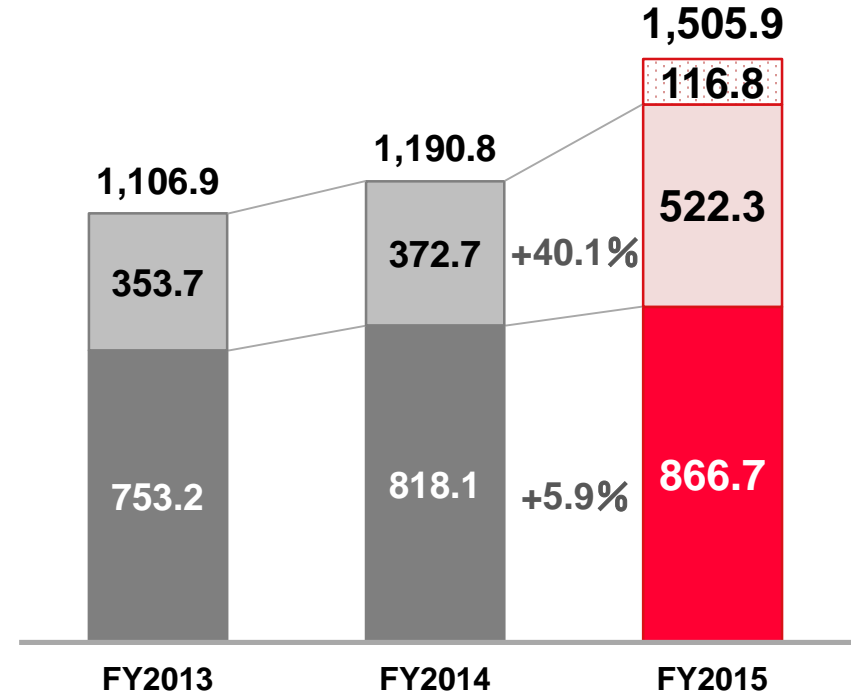
# Usage Trend of Domestic e-Commerce

# Total Domestic e-Commerce Transaction Value



■ Auction-related \*1   □ Shopping-related \*2   □ ASKUL \*3  
(¥Billion)

Achieved transaction value of  
**¥1.5 trillion**  
 for the first time,  
 due to successful  
 e-commerce strategies



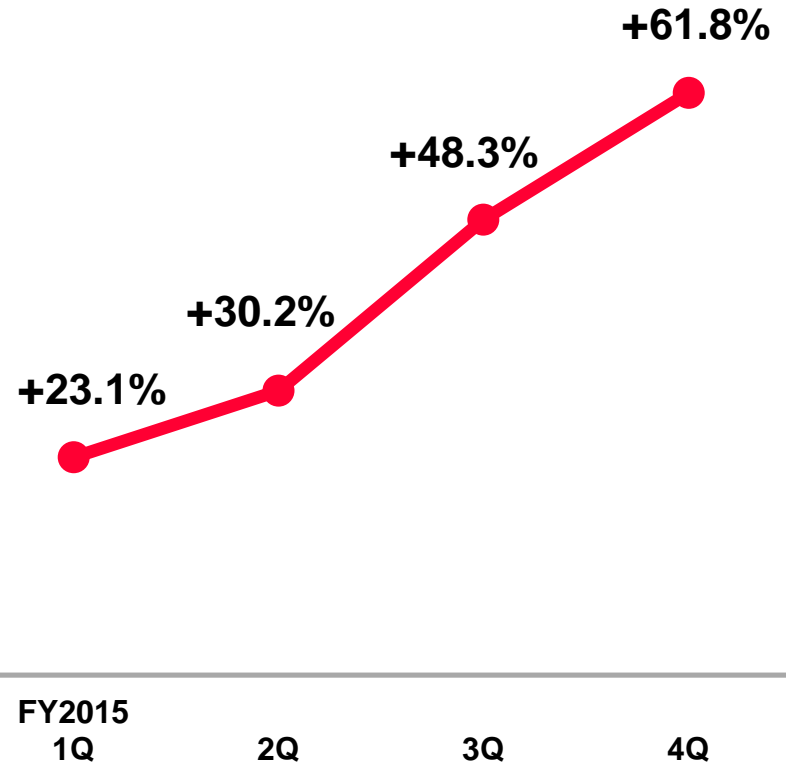
\*1 Includes transaction values of YAHUOKU!, tradecarview (<http://www.tradecarview.com/>), BOOKOFF Online (<http://www.bookoffonline.co.jp/>), and Yahoo! Tickets from April 2015. The prior data and comparative figures have been retroactively adjusted.

\*2 Includes transaction values of Yahoo! Shopping, Yahoo! Travel, paid digital contents, LOHACO, Yahoo! Restaurant Reservation, and 2 months of Ikyu's transaction value, etc. The prior data and comparative figures have been retroactively adjusted. LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.

\*3 7 months of ASKUL's non-consolidated BtoB-related revenue (transaction value; closing date: 20th of every month) via Internet.

# Shopping Transaction Value –YoY Growth Rate

Growth rate accelerated to  
**YoY +61.8%**





# Core Businesses

**Advertising**

Auctions

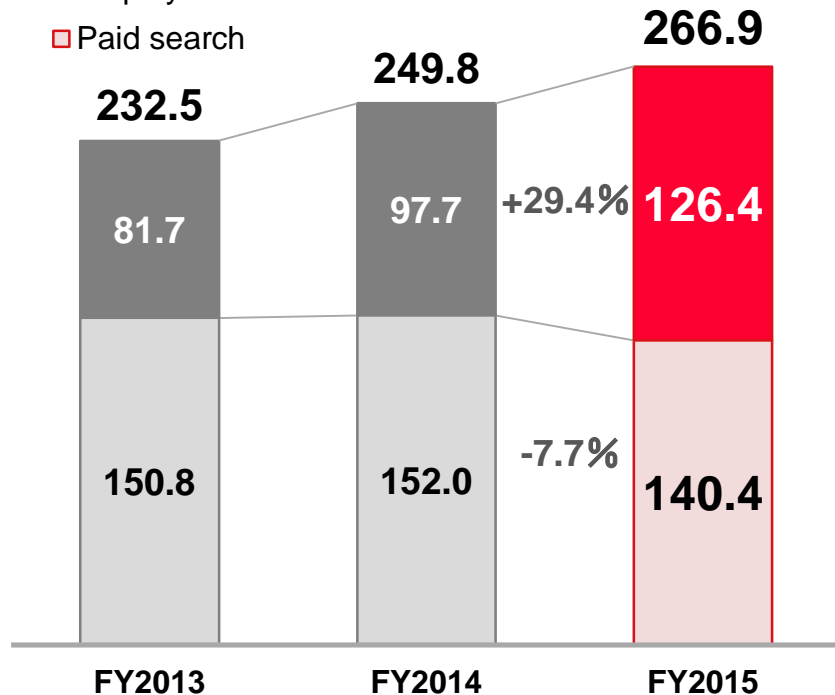
Membership Services

# Advertising-Related Revenue

(¥Billion)

■ Display

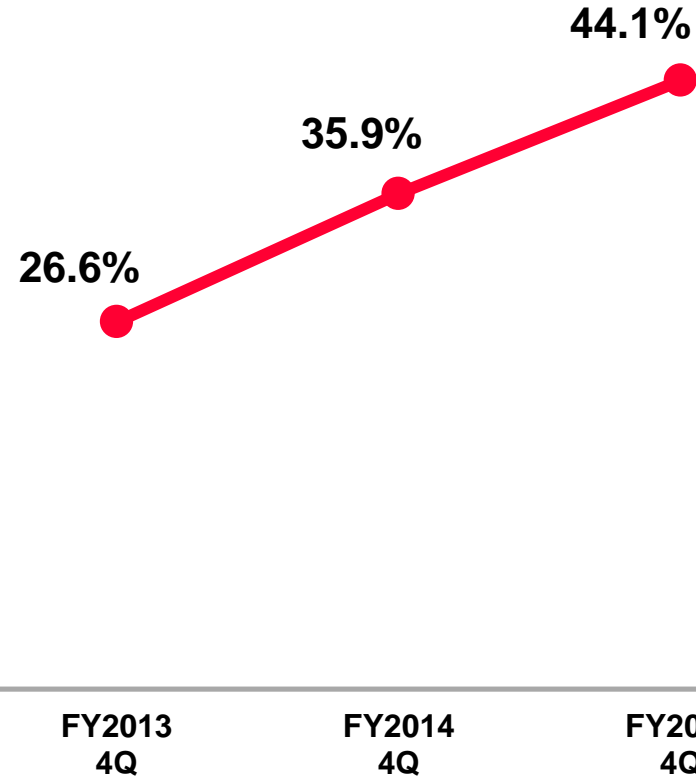
□ Paid search



**YDN is the  
growth driver  
of Display advertising**

# Proportion of Advertising-Related Revenue via Smartphones

**Exceeded 40%**  
for the first time in 4Qs



Note: Proportion of advertising revenue via smartphone in total advertising revenue.  
The prior data have been retroactively adjusted. Contains a part of advertising revenue via tablets.

# Core Businesses

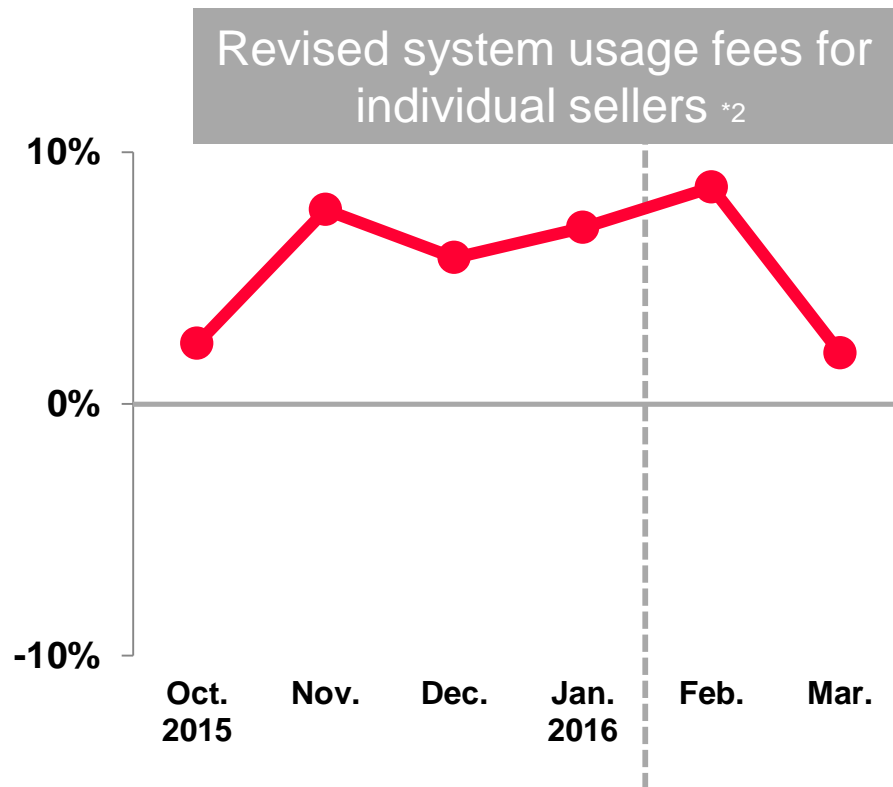
Advertising

**Auctions**

Membership Services

# Auction-Related Transaction Value \*1 – YoY Growth Rate

**Even after the revision of  
system usage fees for  
individual sellers,  
transaction value  
continues to grow**

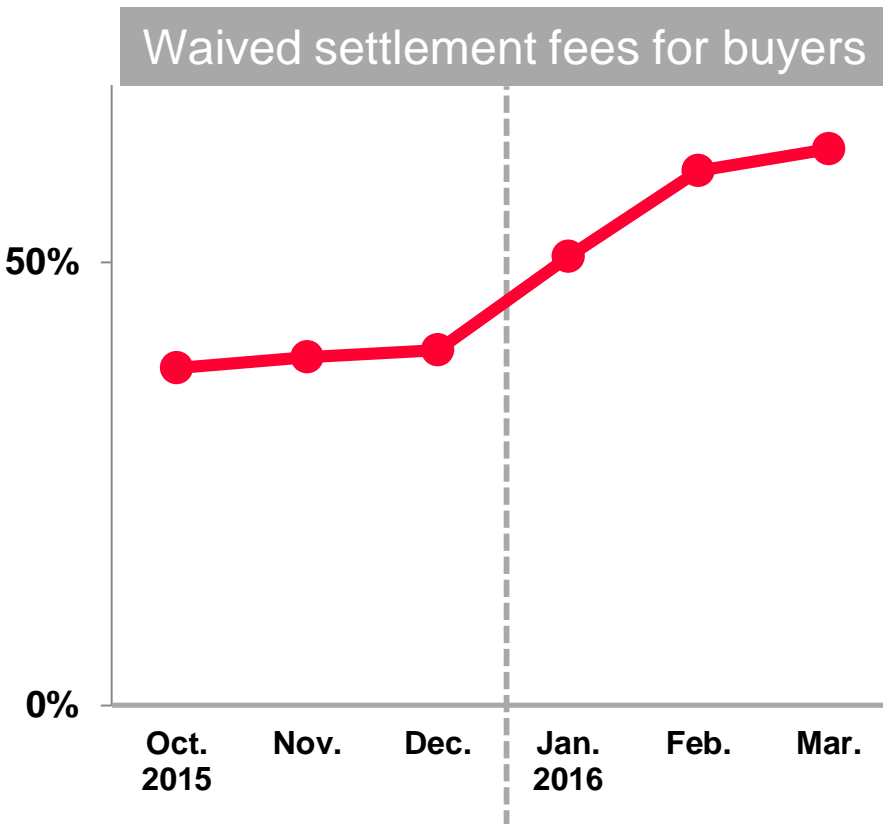


\*1 Includes transaction values of YAHUOKU!, tradecarview (<http://www.tradecarview.com/>), BOOKOFF Online (<http://www.bookoffonline.co.jp/>), and Yahoo! Tickets from April 2015. The prior data and comparative figures have been retroactively adjusted.

\*2 Revised system usage fees for individual sellers from 5.40% to 8.64% (tax inc.) from Feb. 16, 2016.

# Usage Ratio of Yahoo! ezPay

After the waiver of settlement fees,  
**usage ratio of  
Yahoo! ezPay  
hiked**



Note: Settlement fees for a successful bid paid by a buyer have been waived for auctions settled using "Yahoo! ezPay" on and after 12:00 am Jan. 15, 2016.

# Core Businesses

Advertising

Auctions

**Membership Services**

# Launched Premium GYAO!

Started Subscription Video on Demand (SVOD) services on Feb. 23, 2016.

<b>Name of service</b>	<b>GYAO!</b>	<b>Premium GYAO!</b>
<b>Fees</b>	<b>Free of charge</b>	<b>¥800/month</b> ¥500/month for Yahoo! Premium members (Fees do not include consumption tax)
<b>Special features</b>		<b>Unlimited viewing of exclusive contents</b>

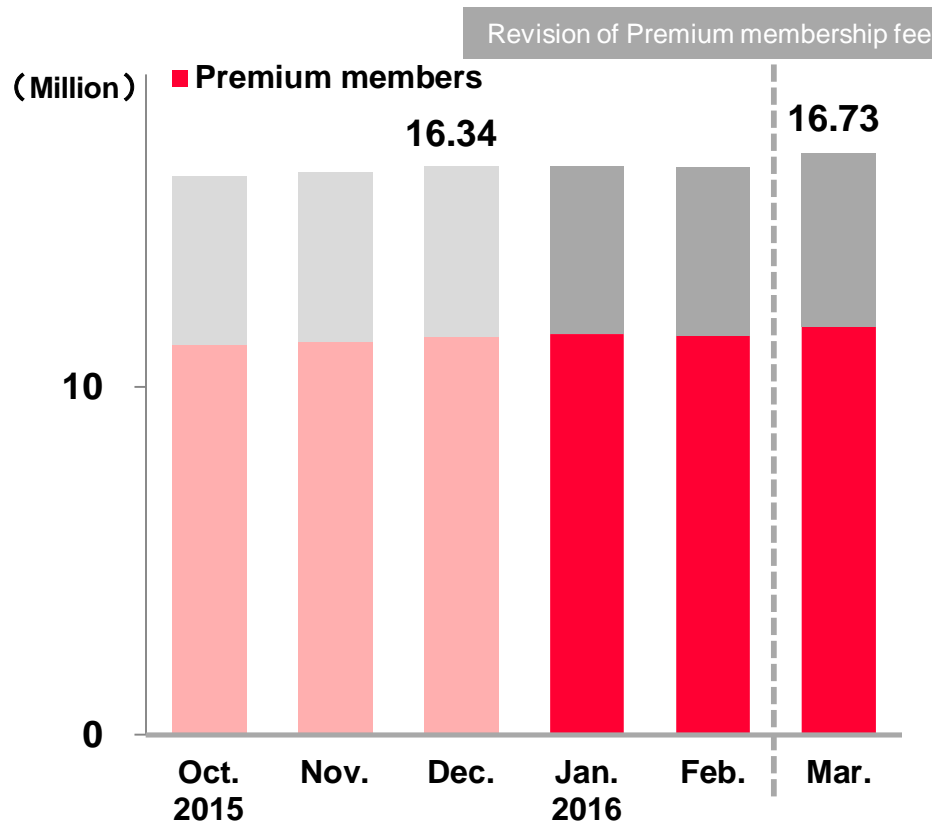


# Number of Monthly Paid-Membership IDs



## Number of members remained stable

even after the raise in monthly fees for Yahoo! Premium membership



Note: Number of monthly paid-membership IDs is the total of membership IDs of Yahoo! Premium members, Yahoo! BB subscribers, monthly paid-subscribers of digital content and services provided by Yahoo! JAPAN and partner sites (IDs with payment through Yahoo! Wallet only). Paid-membership IDs are counted separately for each service, even if there is an overlap in IDs. Monthly fee for Yahoo! Premium membership revised from ¥380 to ¥462 (tax excluded) from Mar. 1, 2016.

# Upfront Investment- Stage Businesses

**Shopping**  
Credit Card

# Special Features of Yahoo! Shopping



Differentiated by unique advantages and synergies with other Yahoo! JAPAN services

**Advantages  
unique to Yahoo!  
Shopping**

Large number of  
items

Comprehensive  
protection

Yahoo! Protection provides  
“Safe Shopping Protection”,  
a protection service offered  
only to members

**Synergies with  
other Yahoo!  
JAPAN services**

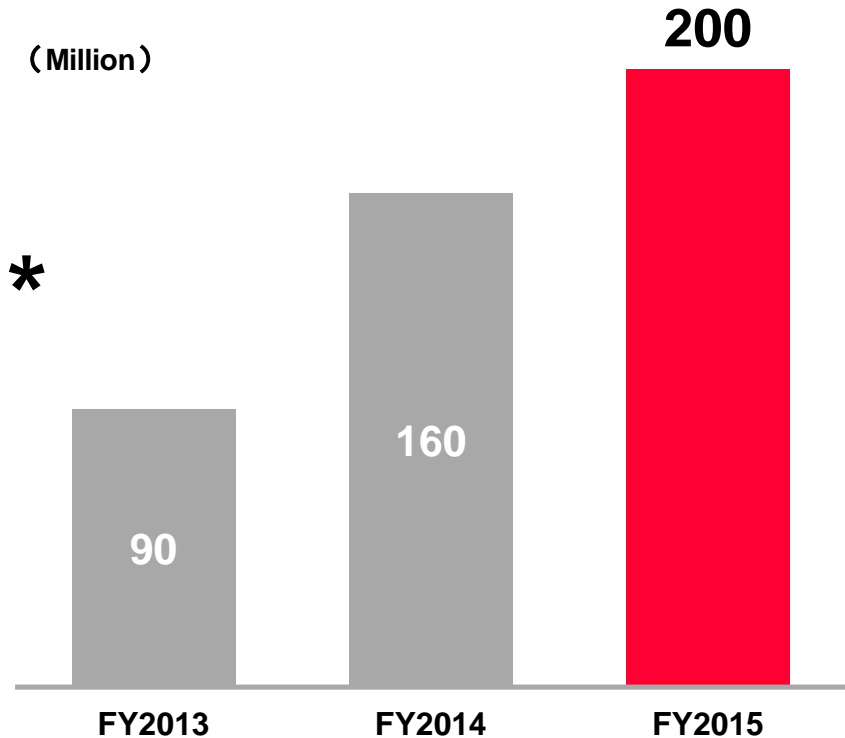
Campaigns for  
Yahoo! Premium  
members

Traffic referral from Yahoo!  
JAPAN’s media service

Note: Yahoo! Protection covers the damages on items bid, purchased or reserved with Yahoo! JAPAN IDs which are registered on: Yahoo! Premium, Smartphone Tokusuru Package, Yahoo! Premium for SoftBank, Yahoo! BB, Enjoy Pack, YAHUOKU! App Premium services, Ezweb mobile auctions, and Tokuhodai.

# Number of Items in Yahoo! Shopping

**Largest in Japan\***  
along with number of  
stores

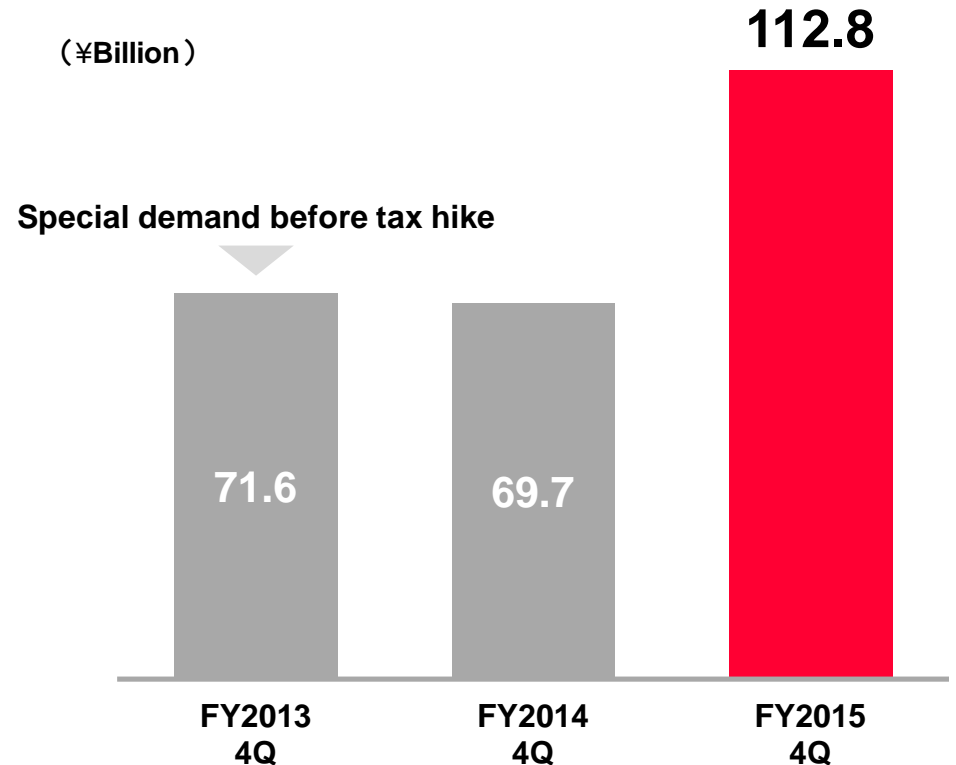


Note: Number of items listed on “Yahoo! Shopping” at each fiscal year end.

\* Survey by Yahoo! JAPAN

# Shopping Transaction Value

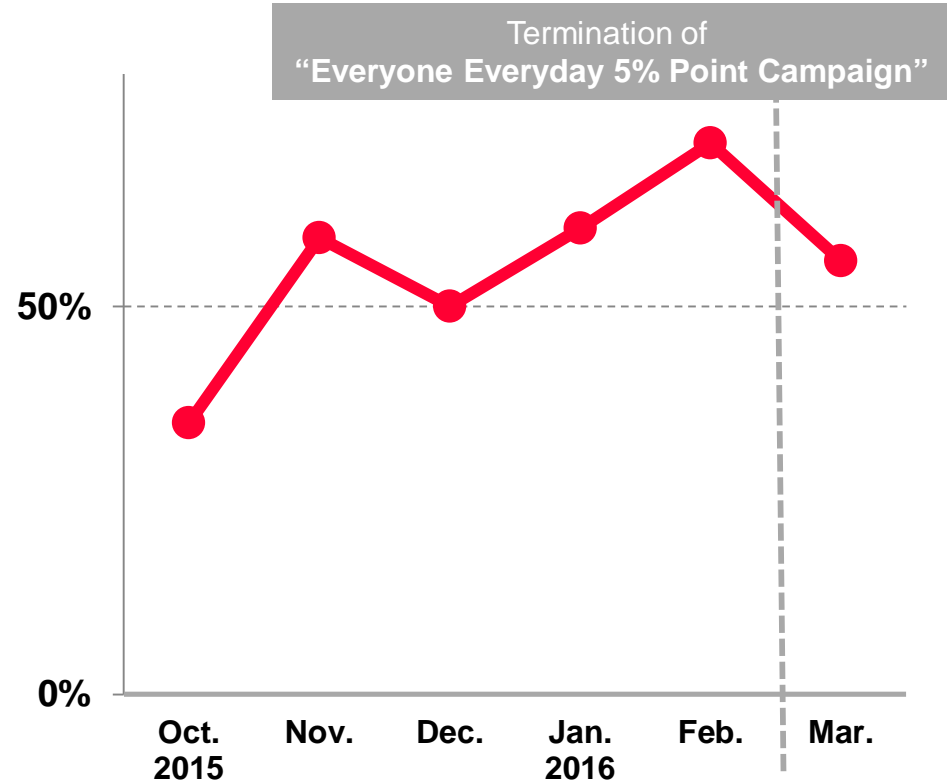
**Exceeded  
¥100 billion  
for the first time in 4Qs**



Note: Includes transaction values of Yahoo! Shopping and LOHACO.  
LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.

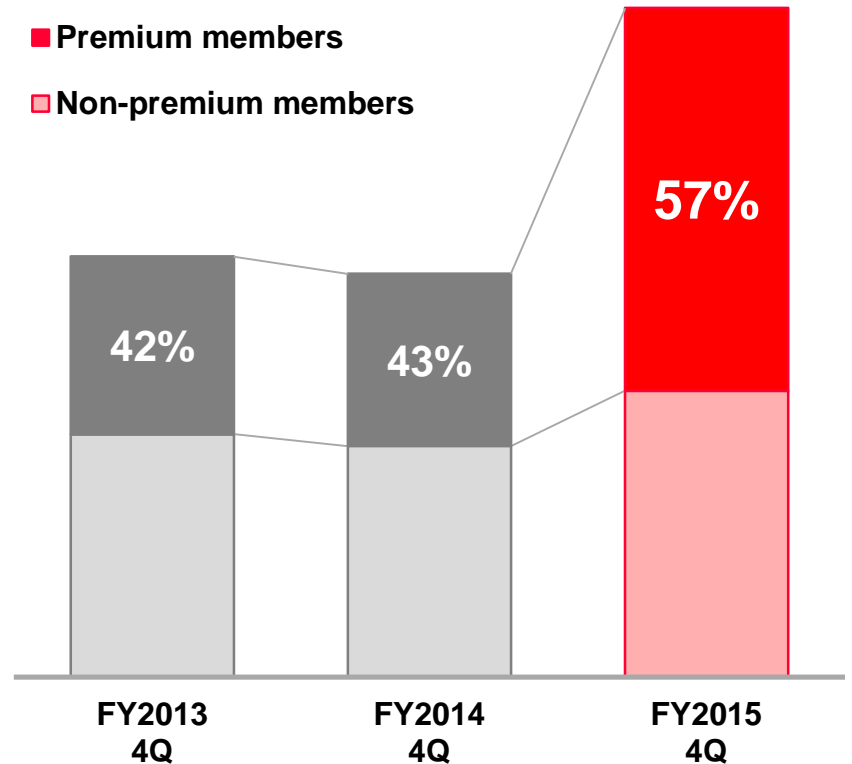
# Shopping Transaction Value –YoY Growth Rate

Even after the termination of  
some campaigns,  
maintained a growth rate of  
**more than**  
**YoY +50%**



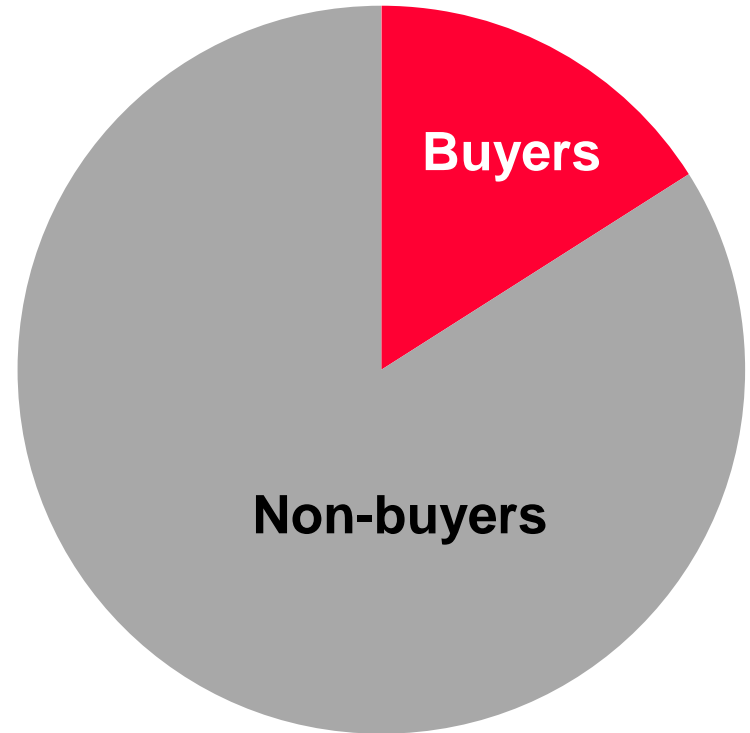
Note: Includes transaction values of Yahoo! Shopping and LOHACO.  
LOHACO's transaction value is the revenue (closing date: 20th of every month)  
of LOHACO business, operated by ASKUL.

Campaigns targeting  
Yahoo! Premium members  
**contributed to  
growth**



Note: Transaction value of "Yahoo! Shopping".

**Large room for growth**  
in the transaction value from Premium members

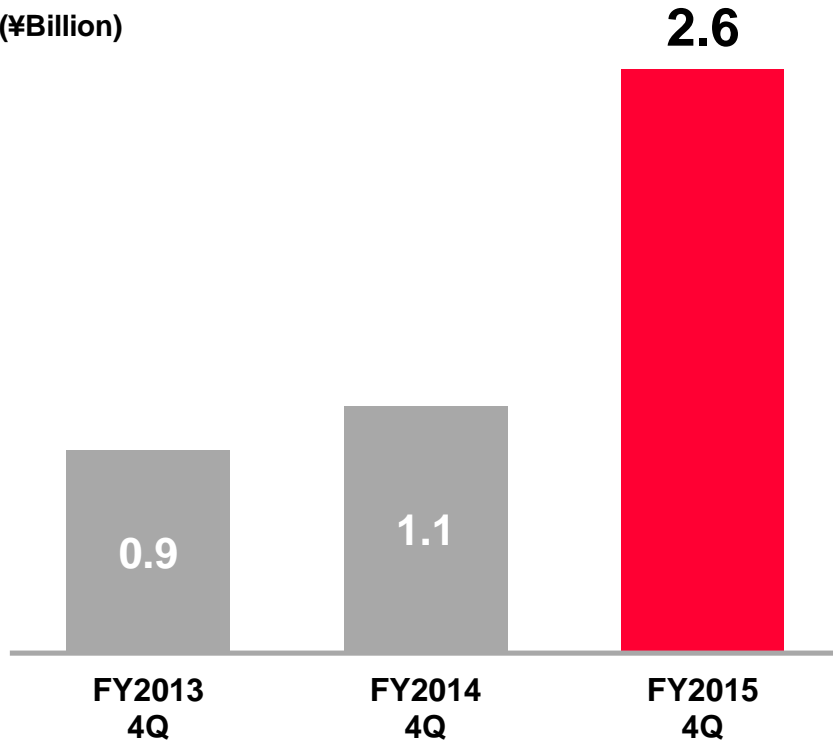


Note: Proportion of Premium members (average monthly figure) who used “Yahoo! Shopping” during FY2015-4Q.



# Shopping-Related Advertising Revenue

(¥Billion)



YoY **2.3 x**

Note: Total of Yahoo Japan Corporation's non-consolidated Shopping-related advertising revenue; advertising revenue of "Store Match", an advertising product in Yahoo! Shopping sold by ValueCommerce Co., Ltd. to stores in Yahoo! Shopping; and revenues of paid search advertising and YDN, etc., placed by stores in Yahoo! Shopping. Revenues of paid search advertising and YDN, etc., placed by stores in Yahoo! Shopping are accounted for in the advertising revenue of Marketing Solutions Business segment.

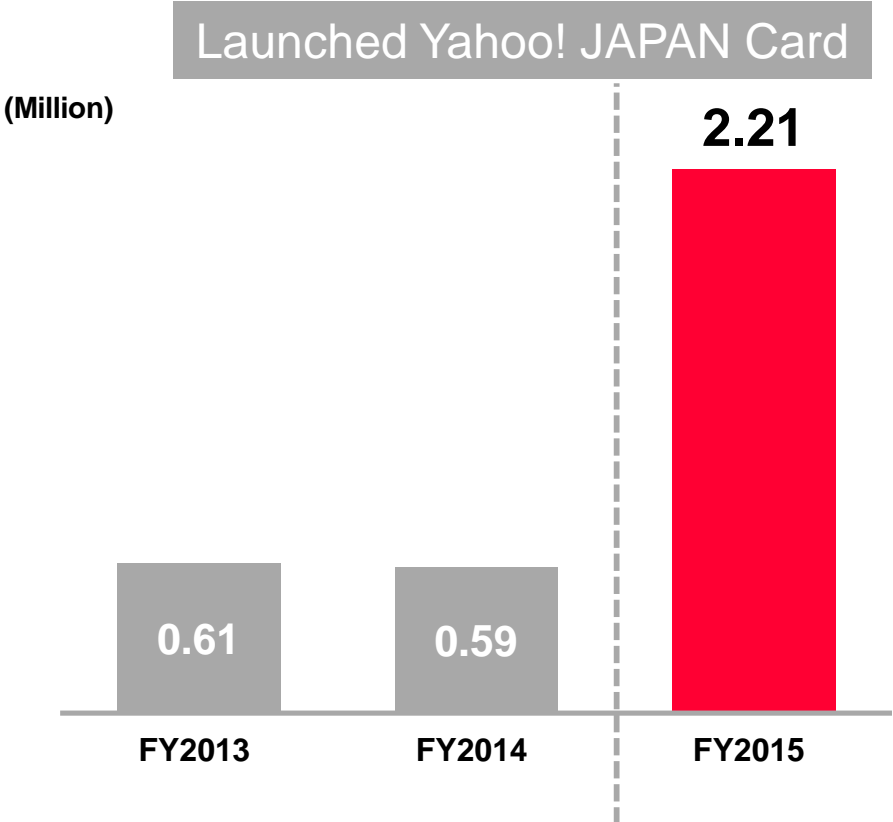
# Upfront Investment- Stage Businesses

Shopping  
**Credit Card**

# Number of Valid Credit Card Holders



**YoY 3.7 x**



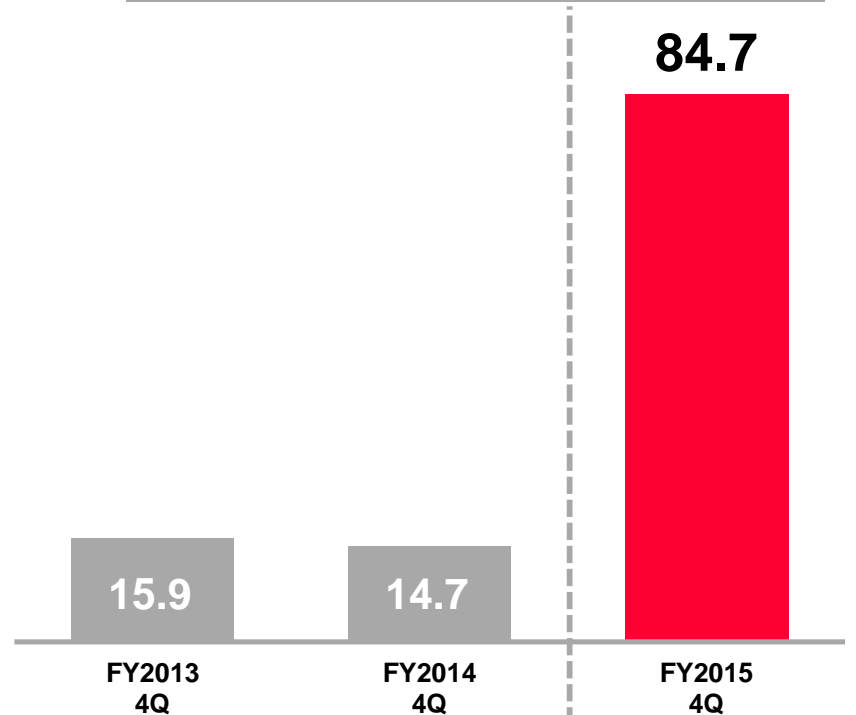
Note: Number of valid card holders is the actual number at fiscal year end. Includes card holders of KC Card, Yahoo! JAPAN Card and SoftBank Card (“Omakase charge”).

# Credit Card Transaction Value

(¥Billion)

Launched Yahoo! JAPAN Card

YoY 5.7 x



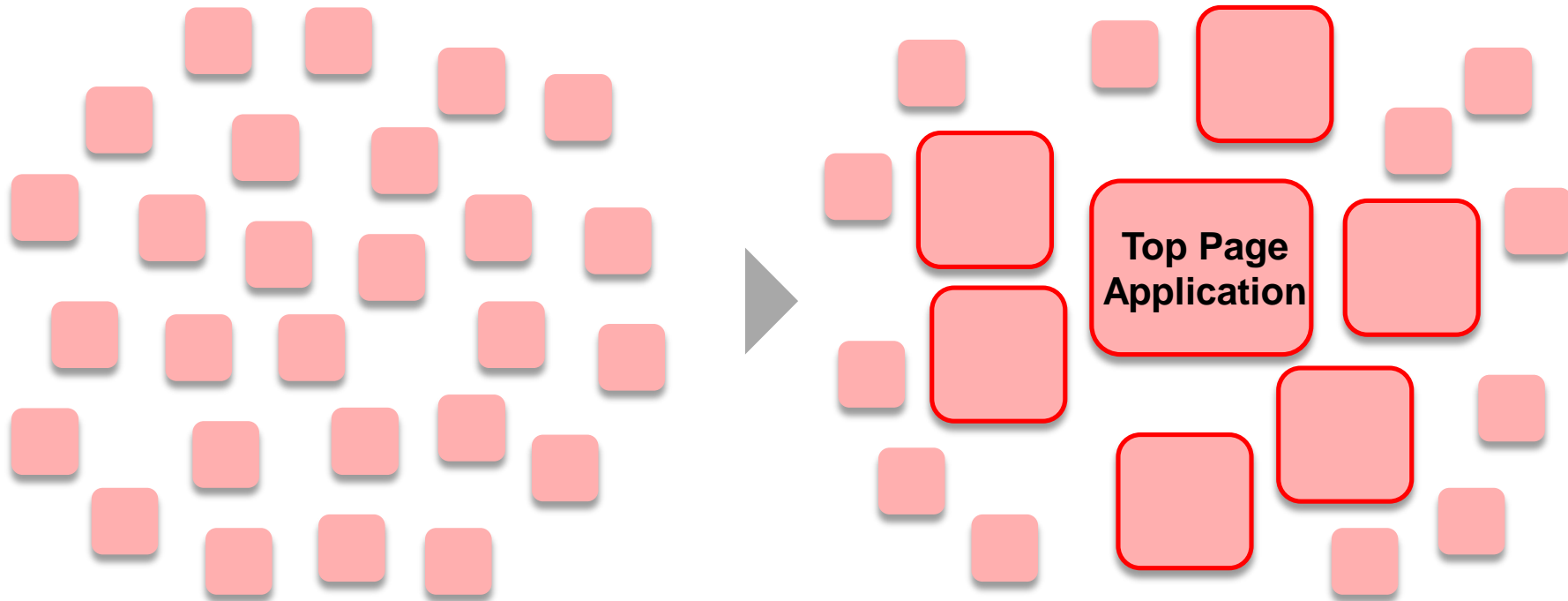
Note: Excludes cash advance service. Includes card holders of KC Card, Yahoo! JAPAN Card and SoftBank Card (“Omakase charge”).

# **Mid-Term Growth Strategies and Plans for FY2016**

# Integration of Applications

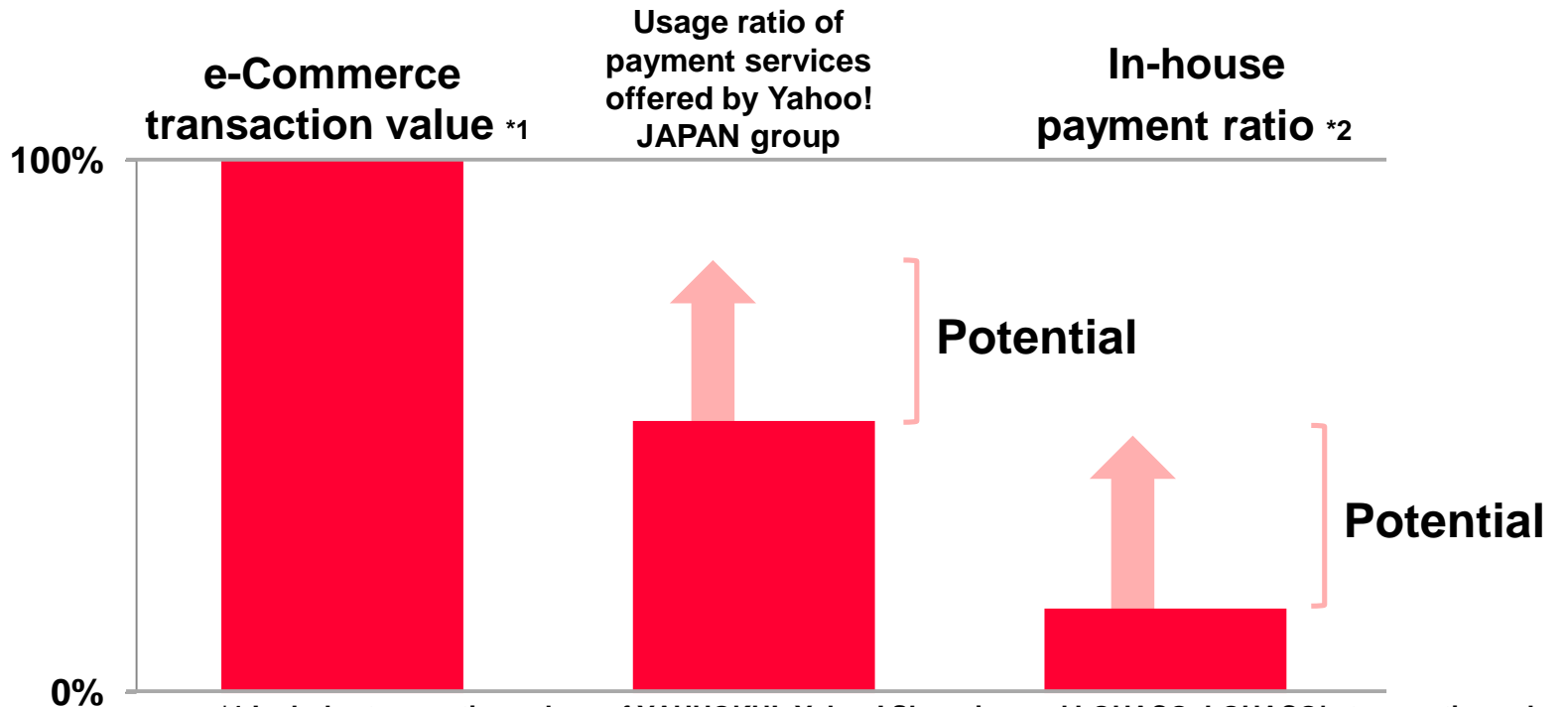
Create “Flagship applications” and enhance the competitiveness of services.

(images)



# Expansion of Monetization Opportunities in Financial and Payment Business

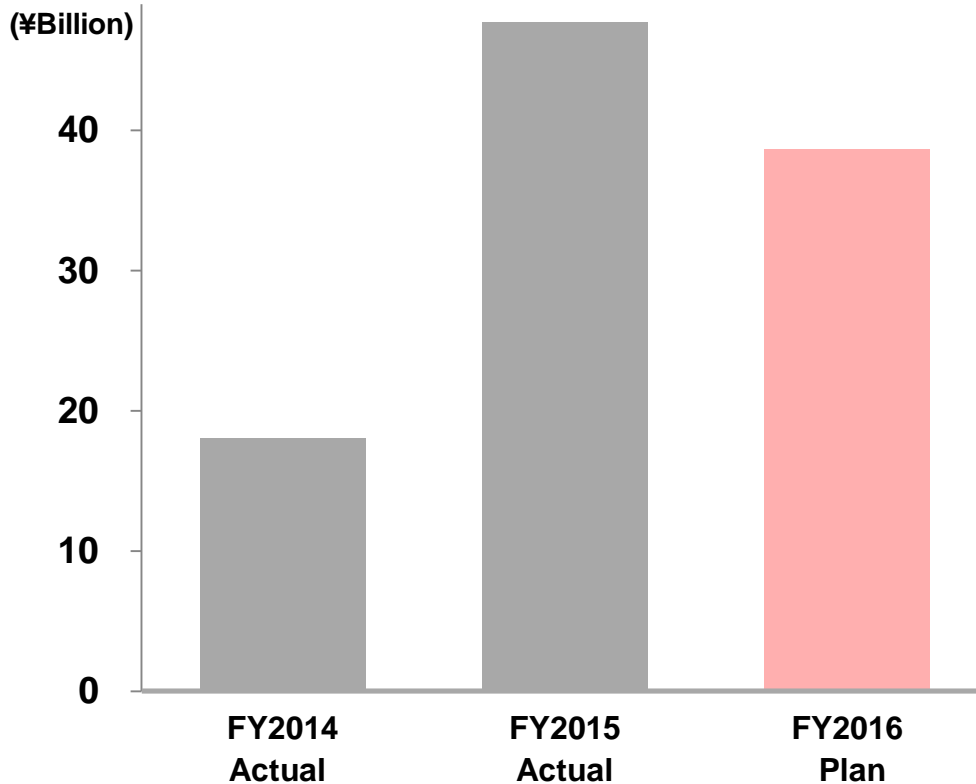
Aim to retain payment functions within Yahoo Japan group along with the expansion of e-commerce services.



\*1 Includes transaction values of YAHUOKU!, Yahoo! Shopping and LOHACO. LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.

\*2 Includes the use of YJ Card, Japan Net Bank, T Point and others.

# FY2016 Sales Promotional Activities



**Intensive  
investments  
in cost effective  
measures**



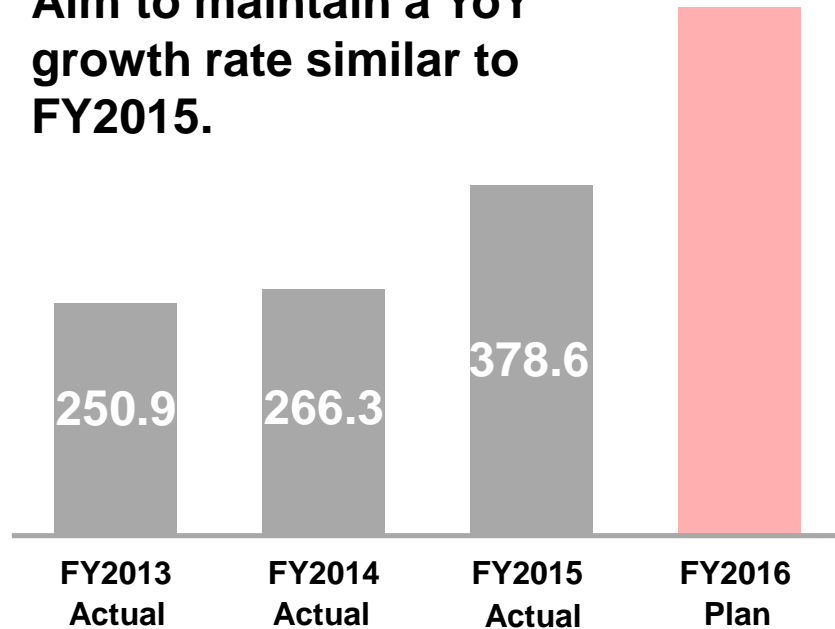
# FY2016 KPI Targets of Upfront Investment-Stage Businesses



## Shopping-Related Transaction Value

(¥Billion)

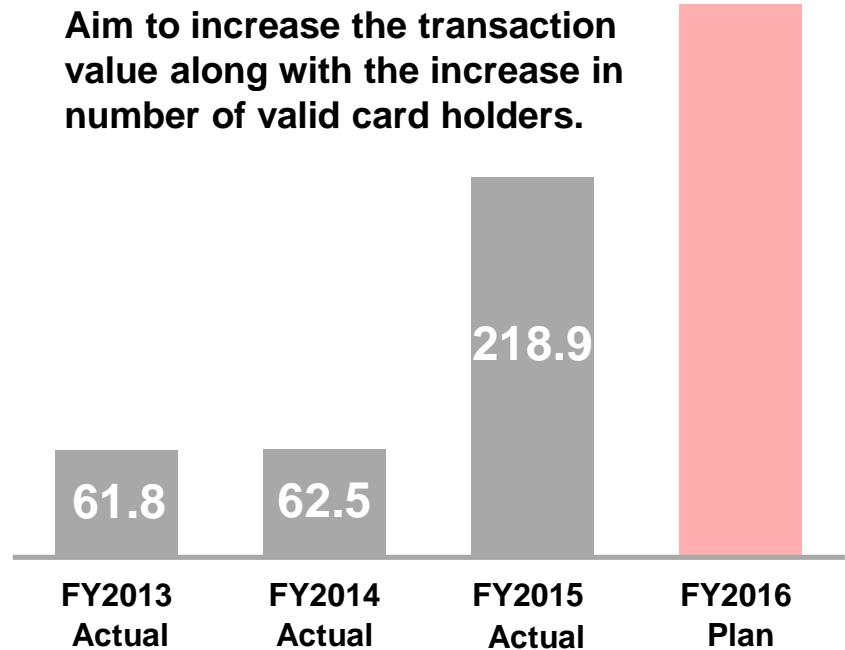
**Aim to maintain a YoY growth rate similar to FY2015.**



## Credit Card Transaction Value

(¥Billion)

**Aim to increase the transaction value along with the increase in number of valid card holders.**



Note: Includes transaction values of Yahoo! Shopping and LOHACO.

49 LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.

Note: Excludes cash advance service.

Includes card holders of KC Card, Yahoo! JAPAN Card and SoftBank Card ("Omakase charge").

# **Business Results Supplemental Information**

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**P. 67 Organization, Personnel and  
Affiliated Companies**

# FY2015 Business Results

# FY2015 Statements of Income

	FY2014	FY2015	Increase/ decrease	Change
Revenue (¥Billion)	428.4	652.3	223.8	+52.2%
(Reference) Revenue (Excluding ASKUL Corporation) (¥Billion)	428.4	463.3	34.8	+8.1%
Cost of Sales (¥Billion)	85.5	247.3	161.8	+189.3%
Gross Profit (¥Billion)	342.9	404.9	61.9	+18.1%
SG&A and others (¥Billion)	145.7	239.6	93.8	+64.4%
Other Income and Expenses (¥Billion) *1	-	59.6	59.6	n.a.
Operating Income (¥Billion)	197.2	224.9	27.7	+14.1%
Other Non-operating Income and Expenses (¥Billion)	9.4	0.2	-9.1	-97.1%
Equity in Earnings (Losses) of Associates (¥Billion)	1.6	1.3	-0.3	-21.2%
Income before Income Taxes (¥Billion)	208.2	226.5	18.2	+8.8%
Net Income (¥Billion)	133.9	172.4	38.5	+28.8%
Net Income Attributable to Owners of the Parent (¥Billion)	133.0	171.6	38.5	+29.0%
Diluted EPS (¥) *2	23.37	30.14	6.78	+29.0%
Number of Shares after Dilution (Million) *3	5,693	5,693	-0	-0.0%

\*1 The Group recognized a gain of ¥59.6 billion from the remeasurment relating to consolidation of ASKUL Corporation in FY2015-2Q.

\*2 Diluted EPS is calculated using the Net Income Attributable to Owners of the Parent.

\*3 Number of Shares after Dilution excludes treasury stock.

# FY2015 Operating Expenses

(¥Billion)

	FY2014	FY2015	Increase/ decrease	Change	Major Factors for YoY Changes
<b>Cost of Sales</b>	<b>85.5</b>	<b>247.3</b>	<b>161.8</b>	<b>+189.3%</b>	Consolidation of ASKUL Corporation. Increase due to changes in the terms of agreements related to search system usage.
<b>Total SG&amp;A</b>	<b>145.7</b>	<b>239.6</b>	<b>93.8</b>	<b>+64.4%</b>	
Personnel Expenses	48.6	64.4	15.8	+32.6%	Number of employees reached 9,177, up 2,143 (+30.5%)
Sales Promotion Costs	15.2	41.4	26.2	+171.7%	Increase of T Point expenses and application usage promotion expenses
Business Commissions	18.1	28.0	9.8	+54.6%	Consolidation of ASKUL Corporation
Depreciation and Amortization	13.9	27.1	13.2	+95.0%	Increase of consolidated subsidiaries. Increase of server and network-related costs.
Lease and Utility Expenses	9.1	12.8	3.7	+40.6%	Consolidation of ASKUL Corporation
Royalties	11.6	12.6	1.0	+9.0%	
Packing and Freight	0.1	8.4	8.3	-	Consolidation of ASKUL Corporation
Content Provider Fees	11.3	7.3	-3.9	-34.9%	Decrease due to changes in the terms of agreements related to search system usage
Advertising and Promotional Expenses	2.7	6.6	3.8	+138.0%	Increase due to television commercials
Communication Charges	5.6	6.5	0.9	+17.0%	
Others	9.2	23.9	14.6	+158.5%	
<b>Total of Cost of Sales and SG&amp;A</b>	<b>231.2</b>	<b>487.0</b>	<b>255.7</b>	<b>+110.6%</b>	

# FY2015 Statements of Financial Position

(¥Billion)

	2015/3/31	2016/3/31	Increase/ decrease		2015/3/31	2016/3/31	Increase/ decrease
<b>&lt;Assets&gt;</b>				<b>&lt;Liabilities&gt;</b>			
<b>Current Assets</b>	741.8	806.3	64.5	<b>Current Liabilities</b>	239.7	366.0	126.2
Cash and Cash Equivalents	503.9	449.1	-54.7 *1 *2 *3 *4	Trade and Other Payables	158.9	270.7	111.7 *5
Trade and Other Receivables	217.7	305.7	88.0 *5 *6	Other Financial Liabilities/Other Current Liabilities	41.3	51.9	10.6 *5
Inventories	0.4	14.9	14.4 *5	Income Taxes Payable	33.0	30.7	-2.2
Other Financial Assets/Other Current Assets	19.7	36.5	16.8 *7 *8	Provisions	6.3	12.5	6.1
<b>Non-current Assets</b>	265.7	536.4	270.6	<b>Other Non-current Liabilities</b>	27.2	64.0	36.7
Property and Equipment	67.4	121.1	53.6 *5 *9	Other Financial Liabilities/Other Non-Current Liabilities	4.4	16.4	12.0 *5
Goodwill	27.6	156.3	128.6 *10	Provisions	22.8	20.0	-2.7
Intangible Assets	32.3	128.7	96.3 *10	Deferred Tax Liabilities	0.0	27.5	27.4 *10
Investments Accounted for Using the Equity Method	61.6	34.2	-27.4 *11	<b>Total Liabilities</b>	267.0	430.0	162.9
Deferred Tax Assets	15.1	23.3	8.2				
Other Financial Assets/Other Non-current Assets	61.4	72.6	11.1 *12	<b>&lt;Equity&gt;</b>			
<b>Total Assets</b>	1,007.6	1,342.7	335.1	<b>Equity Attributable to Owners of the Parent</b>	726.0	844.1	118.1
				Common Stock	8.2	8.3	0.0
				Capital Surplus	1.2	-3.0	-4.3
				Retained Earnings	705.8	827.0	121.1
				Treasury Stock	-1.3	-1.3	-
				Accumulated Other Comprehensive Income	11.9	13.1	1.2
				<b>Non-controlling Interests</b>	14.5	68.5	54.0 *5
				<b>Total Equity</b>	740.5	912.7	172.2
				<b>Total Liabilities and Equity</b>	1,007.6	1,342.7	335.1

## Major Factors for Increase/Decrease

- \*1 Increase due to net cash provided by operating activities
- \*2 Decrease due to acquisition of stock of consolidated subsidiaries
- \*3 Decrease due to payment of income taxes and others
- \*4 Decrease due to payment of dividends
- \*5 Increase due to consolidation of ASKUL Corporation
- \*6 Increase in the transaction value in credit card business
- \*7 Increase by reclassifying payments for guarantee deposits from other financial assets (non-current) along with headquarters relocation
- \*8 Increase of derivative assets in foreign exchange margin trading
- \*9 Increase in purchase of servers and others
- \*10 Increase of consolidated subsidiaries
- \*11 Decrease due to consolidation of ASKUL Corporation
- \*12 Increase due to the purchases of investment securities and increase in fair value

# FY2015 Statements of Cash Flows

Major Items	FY2015	(¥Billion)
<b><u>Operating Activities</u></b>	<b><u>105.4</u></b>	
Income before Income Taxes	226.5	
Depreciation and Amortization	30.6	
Gain from Remeasurement Relating to Business Combination	-59.6	Consolidation of ASKUL Corporation
Increase/Decrease in Trade and Other Receivables/Payables	0.6	
Increase/Decrease in Other Financial Assets and Liabilities	-10.2	
Increase/Decrease in Accrued Consumption Tax and Others	-9.3	
Income Taxes Paid	-66.3	
<b><u>Investing Activities</u></b>	<b><u>-110.5</u></b>	
Expenditures on Property and Equipment	-29.2	
Expenditures on Intangible Assets	-9.0	
Expenditures on Investment Securities	-17.3	
Proceeds from Acquisition of Control over Subsidiaries	-61.5	Consolidation of Ikyu Corporation
<b><u>Financing Activities</u></b>	<b><u>-49.3</u></b>	
Payment of Dividends	-50.3	
<b><u>Net Change in Cash and Cash Equivalents</u></b>	<b><u>-54.7</u></b>	

# FY2015 Investment Records

**Total amount of investments : approx. 110.0 billion yen**

## Major investments

Companies	Date	Ratio of voting rights
Skyscanner Japan K.K.	July 2015	49.0%
Dynatech inc.	July 2015	100.0%
Sony Real Estate Corporation	July 2015	43.7%
BuzzFeed Japan Corporation	Aug. 2015	49.0%
SoldOut, Inc	Jan. 2016	33.4%
Ikyu Corporation	Feb. 2016	100.0%

Note: Total amount of investments by Yahoo Japan Corporation.  
Ratios of voting rights are at the end of March 2016.



# FY2015 Quarterly Business Results

# FY2015-4Q Statements of Income

	14/4Q	15/4Q	Increase/ Decrease	Change
Revenue (¥Billion)	117.6	207.0	89.3	+76.0%
(Reference) Revenue (Excluding ASKUL Corporation) (¥Billion)	117.6	122.7	5.0	+4.3%
Cost of Sales (¥Billion)	23.4	92.9	69.5	+297.2%
Gross Profit (¥Billion)	94.2	114.0	19.8	+21.0%
SG&A and others (¥Billion)	41.8	84.1	42.3	+101.2%
Operating Income (¥Billion)	52.4	29.9	-22.5	-42.9%
Other Non-operating Income and Expenses (¥Billion)	-0.6	-1.9	-1.2	n.a.
Equity in Earnings (Losses) of Associates (¥Billion)	0.7	0.1	-0.6	-84.6%
Income before Income Taxes (¥Billion)	52.5	28.1	-24.4	-46.5%
Net Income (¥Billion)	33.0	18.6	-14.3	-43.4%
Net Income Attributable to Owners of the Parent (¥Billion)	32.9	18.0	-14.8	-45.1%
Diluted EPS (¥) *1	5.79	3.18	-2.61	-45.1%
Number of Shares after Dilution (Million) *2	5,692	5,693	0	+0.0%

\*1 Diluted EPS is calculated using the Net Income Attributable to Owners of the Parent.

\*2 Number of Shares after Dilution excludes treasury stock.

# FY2015-4Q Operating Expenses

	14/4Q	15/3Q	15/4Q	QoQ Change	YoY Change	Major Factors for YoY Changes (¥Billion)
<b>Cost of Sales</b>	<b>23.4</b>	<b>86.8</b>	<b>92.9</b>	<b>+7.0%</b>	<b>+297.2%</b>	Consolidation of ASKUL Corporation. Increase due to changes in the terms of agreements related to search system usage.
<b>Total SG&amp;A</b>	<b>41.8</b>	<b>66.4</b>	<b>84.1</b>	<b>+26.7%</b>	<b>+101.2%</b>	
<b>Personnel Expenses</b>	<b>14.1</b>	<b>16.5</b>	<b>20.5</b>	<b>+24.3%</b>	<b>+45.4%</b>	Number of employees reached 9,177, up 2,143 (+30.5%)
<b>Sales Promotion Costs</b>	<b>4.4</b>	<b>12.2</b>	<b>16.6</b>	<b>+35.3%</b>	<b>+270.6%</b>	Increase of T Point expenses and application usage promotion expenses
<b>Business Commissions</b>	<b>4.5</b>	<b>8.2</b>	<b>9.3</b>	<b>+12.6%</b>	<b>+105.5%</b>	Consolidation of ASKUL Corporation
<b>Depreciation and Amortization</b>	<b>3.9</b>	<b>7.8</b>	<b>8.8</b>	<b>+13.1%</b>	<b>+122.7%</b>	Consolidation of ASKUL Corporation. Increase of server and network-related costs.
<b>Lease and Utility Expenses</b>	<b>2.2</b>	<b>3.8</b>	<b>3.9</b>	<b>+1.8%</b>	<b>+73.0%</b>	Consolidation of ASKUL Corporation
<b>Packing and Freight</b>	<b>0.0</b>	<b>3.7</b>	<b>3.5</b>	<b>-4.2%</b>	<b>-</b>	Consolidation of ASKUL Corporation
<b>Royalties</b>	<b>3.1</b>	<b>3.1</b>	<b>3.3</b>	<b>+4.3%</b>	<b>+4.6%</b>	
<b>Advertising and Promotional Expenses</b>	<b>0.5</b>	<b>2.6</b>	<b>2.6</b>	<b>-0.0%</b>	<b>+422.0%</b>	Increase due to television commercials
<b>Content Provider Fees</b>	<b>2.9</b>	<b>1.7</b>	<b>2.1</b>	<b>+26.1%</b>	<b>-28.1%</b>	Decrease due to changes in the terms of agreements related to search system usage
<b>Communication Charges</b>	<b>1.3</b>	<b>1.6</b>	<b>1.8</b>	<b>+12.1%</b>	<b>+39.1%</b>	
<b>Others</b>	<b>4.3</b>	<b>4.6</b>	<b>11.2</b>	<b>+142.2%</b>	<b>+159.8%</b>	
<b>Total of Cost of Sales and SG&amp;A</b>	<b>65.2</b>	<b>153.2</b>	<b>177.1</b>	<b>+15.6%</b>	<b>+171.5%</b>	

# FY2015-4Q Statements of Cash Flows

Major Items	15/4Q	(¥Billion)
<b><u>Operating Activities</u></b>	<b><u>29.9</u></b>	
Income before Income Taxes	28.1	
Depreciation and Amortization	9.8	
Increase/Decrease in Trade and Other Receivables/Payables	-7.1	
Increase/Decrease in Other Current Assets and Liabilities	6.8	
Increase/Decrease in Other Financial Assets and Liabilities	-3.8	
Increase/Decrease in Accrued Consumption Tax and Others	-2.8	
Income Taxes Paid	-1.7	
<b><u>Investing Activities</u></b>	<b><u>-105.1</u></b>	
Expenditures on Property and Equipment	-7.5	
Expenditures on Intangible Assets	-2.3	
Expenditures on Investment Securities	-6.1	
Expenditures from Acquisition of Control over Subsidiaries	-90.3	Consolidation of Ikyu Corporation
<b><u>Financing Activities</u></b>	<b><u>3.7</u></b>	
<b><u>Net Change in Cash and Cash Equivalents</u></b>	<b><u>-71.6</u></b>	

# Business Segment Breakdown

## Marketing Solutions Business

- **Advertising:** Paid search advertising “Sponsored Search”  
Display advertising (“Yahoo! Display Ad Network (YDN)”, “Premium Advertising”)
- **Business Services:** CRM-related services, Recruiting-related services and others
- **Personal Services:** Video-related services, Pay digital content and others

## Consumer Business

- **Advertising:** Display advertising
- **Business Services:** ASKUL, Affiliate-related services, Corporate system-use fees of YAHUOKU!, Travel-related services, Yahoo! Real Estate, Automobile-related services, Yahoo! BB incentive fees and others
- **Personal Services:** Yahoo! Premium, LOHACO, Personal system-use fees of YAHUOKU!, Game-related services, Yahoo! BB ISP fees and others

## Others

- **Advertising:** Display advertising
- **Business Services:** Data center-related services, Credit card-related services, Payment-related services, Yahoo! WebHosting and others
- **Personal Services:** FX-related service, Credit card-related service, Payment-related services and others

Note: There has been no major movement between segments in the fourth quarter of the fiscal year ended March 2016.

# Advertising Products

Advertising Products			Main Format	Fee Calculation	Placement Pages	Main Advertiser Base
Paid search advertising	Sponsored Search®		Text	Per-click rate (Performance-based) *1	Search results pages	Major corporations
Display advertising	YDN and others	Yahoo! Display Ad Network (YDN) *3	Text / Banner		Per-impression page view rate (Performance-based) *1	Top page
		Yahoo! Premium DSP	Banner	Interior pages of service sites		
	Premium Advertising	Brand Panel Prime Display and others	Rich ad (Including video) / Banner		Per-impression page view rate (Guarantee-based) *2	
		Banner / Text ads and others	Text / Banner		Per-guaranteed period rate, etc (Guarantee-based) *2	Yahoo! Shopping
		PR Option		Conversion-based		

\*1 Advertising that is programmatically or manually managed on a real-time basis to optimize advertising effects.

\*2 Advertising for which specific placement is reserved in advance.

\*3 Including In-feed Advertising on timeline-view pages.

# Revenue Trends by Advertising Products

Indicator	Unit	14/4Q (Jan.-Mar.)	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)	15/4Q (Jan.-Mar.)
Total advertising revenue	Billion yen	69.3	63.3	65.7	66.0	71.7
YoY Change	%	+8.4%	+9.5%	+8.6%	+6.3%	+3.5%
Paid search advertising revenue	Billion yen	39.7	36.2	36.1	33.4	34.6
YoY Change	%	+0.6%	-1.8%	-5.4%	-10.4%	-12.7%
Display advertising revenue	Billion yen	29.6	27.1	29.6	32.6	37.0
YoY Change	%	+21.0%	+29.5%	+32.8%	+31.4%	+25.1%
YDN and others revenue *1	Billion yen	18.1	18.4	21.5	22.4	25.8
YoY Change	%	+65.9%	+60.8%	+64.5%	+52.2%	+42.2%
Premium advertising revenue *2	Billion yen	11.4	8.7	8.0	10.2	11.2
YoY Change	%	-15.4%	-8.3%	-12.5%	+1.1%	-2.1%

\*1 Yahoo! Premium DSP is included.

\*2 Video advertising is included.

# Quarterly Business Data (1)

Indicator (Quarterly average)	Unit	14/4Q (Jan.-Mar.)	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)	15/4Q (Jan.-Mar.)	YoY Change
Number of total monthly page views	Million	61,969	64,990	68,102	63,147	66,704	+7.6%
Number of total monthly smartphone page views *1	Million	29,454	31,930	34,476	32,584	35,976	+22.1%
Number of Daily UBs (Unique Browsers) *2	Million	79.79	82.82	85.09	83.19	86.93	+8.9%
Number of smartphone Daily UBs *1 *2	Million	45.92	49.23	51.61	50.61	54.28	+18.2%
Number of monthly active user IDs *3	Million	29.53	30.07	30.94	31.91	33.09	+12.1%
Number of monthly paid-membership IDs (quarter-end) *4	Million	15.46	15.54	15.99	16.34	16.73	+8.2%

\*1 Monthly “Smartphone” page views and Daily UBs include access through iPhones/iPods, Android smartphones (with screen sizes of less than 7 inches), Windows Phones and smartphone applications. 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 browser and access via application are counted separately, even if there is an overlap in users.

\*3 Number of Yahoo! JAPAN IDs logged in each month.

\*4 Total of membership IDs of Yahoo! Premium members, Yahoo! BB subscribers, monthly paid-subscribers of digital content and services provided by Yahoo! JAPAN and partner sites\* (\*IDs with payment through Yahoo! Wallet only). Paid-membership IDs are counted separately for each service, even if there is an overlap in IDs.



# Quarterly Business Data (2)

Indicator (Quarterly total)	Unit	14/4Q (Jan.-Mar.)	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)	15/4Q (Jan.-Mar.)	YoY Change
Auction-related transaction value *1	Billion yen	209.0	208.8	203.2	233.6	221.0	+5.8%
Shopping-related transaction value *2	Billion yen	96.1	102.2	113.9	145.3	160.7	+67.3%
ASKUL Corporation's non-consolidated BtoB-related revenue (transaction value) via Internet *3	Billion yen	-	-	16.3	50.1	50.2	n.a.
Total domestic e-commerce transaction value *4	Billion yen	305.1	311.0	333.5	429.1	432.1	+41.6%
Total domestic e-commerce transaction value via smartphone *5	Billion yen	110.8	117.0	125.3	165.2	164.2	+48.2%
Number of YAHUOKU! store IDs (quarter-end) *6	IDs	19,951	20,255	20,537	20,774	21,118	+5.8%
Number of Yahoo! Shopping store IDs (quarter-end) *6	IDs	282,537	317,778	346,888	374,812	399,333	+41.3%

\*1 Includes transaction value of YAHUOKU!, tradecarview (<http://www.tradecarview.com/>), BOOKOFF Online (<http://www.bookoffonline.co.jp/>), and Yahoo! Ticket from 1Q of FY2015.

\*2 Includes transaction value of Yahoo! Shopping, Yahoo! Travel, pay digital content, LOHACO, Yahoo! Restaurant Reservation, Ikyu Corporation from 4Q of FY2015 (two months in 4Q) and others. LOHACO's transaction value is the revenue of LOHACO business (closing date: 20th of every month) operated by ASKUL.

\*3 2Q of FY2015 is one month's revenue (transaction value, closing date: 20th of every month).

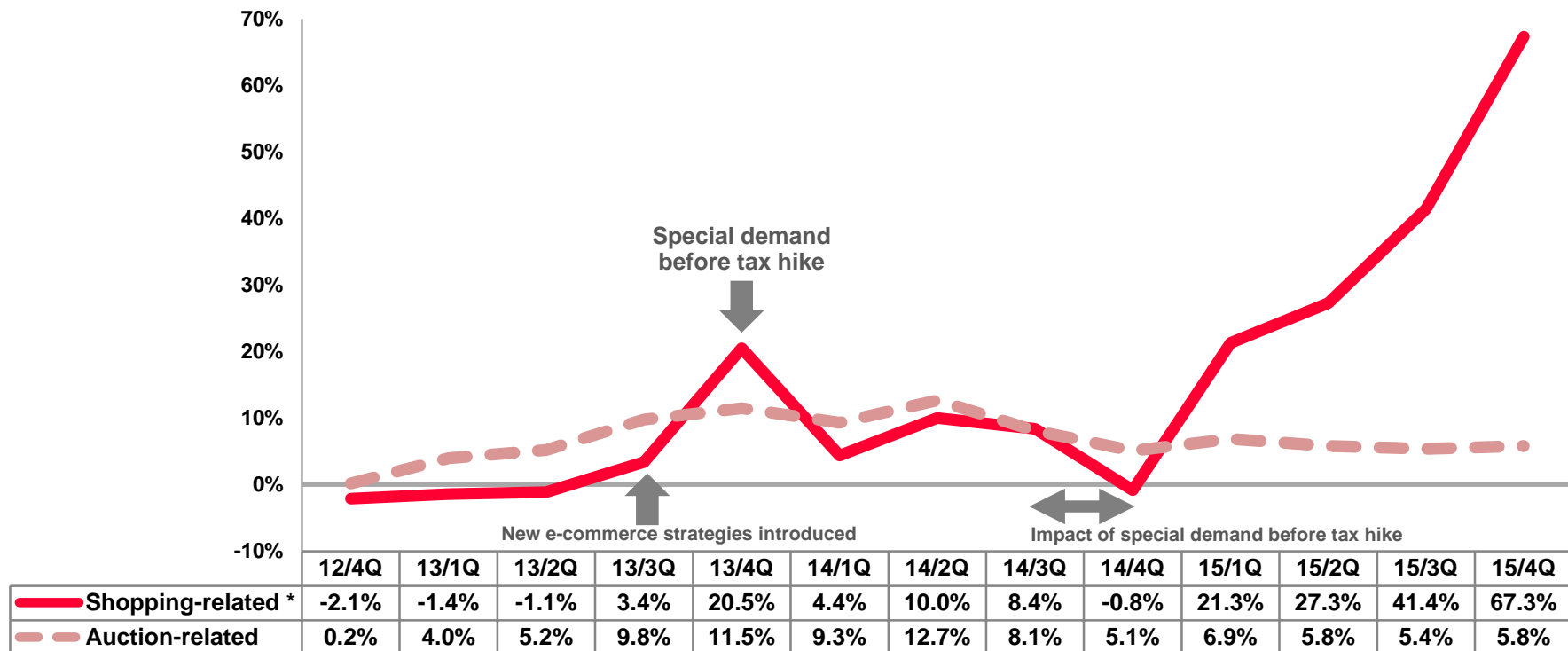
\*4 Includes auction-related, shopping-related transaction value and ASKUL's non-consolidated BtoB-related revenue (transaction value) via Internet from 2Q of FY2015 (one month in 2Q).

\*5 Includes auction-related and shopping-related transaction value.

\*6 Numbers of YAHUOKU! and Yahoo! Shopping stores are based on accounts issued. They include the number of accounts still preparing to launch store sites.

Note: As a result of adopting a more accurate calculation method, prior figures have been retroactively adjusted.

# Quarterly Transaction Value of Shopping-related and Auction-related business YoY Growth Trend



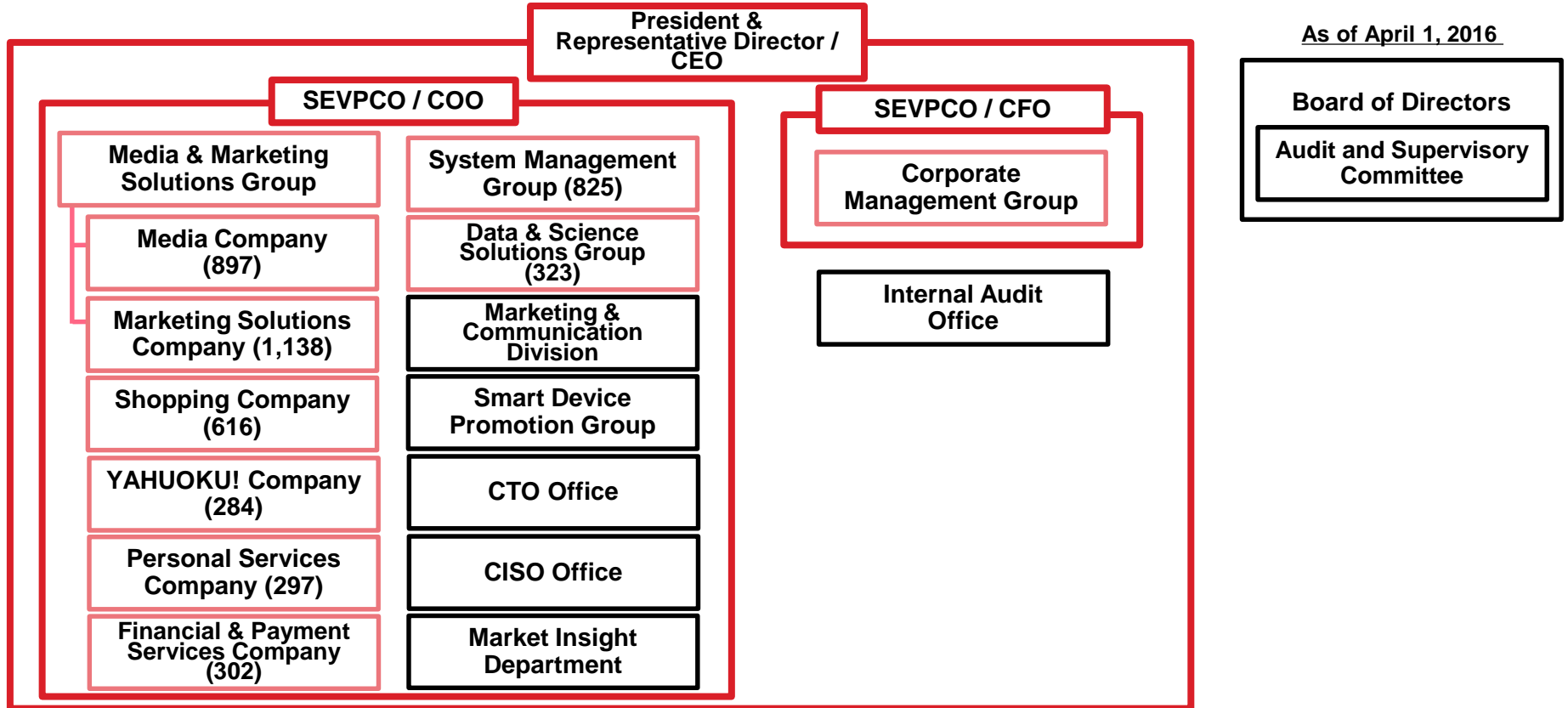
Note: Each quarterly growth rate is calculated based on the same definition.

\* Includes transaction value of Yahoo! Shopping, Yahoo! Travel, pay digital content, LOHACO, Yahoo! Restaurant Reservation, Ikyu Corporation from 4Q of FY2015 (two months in 4Q) and others.

LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business operated by ASKUL.

# Organization Chart of Yahoo Japan Corporation

As of April 1, 2016

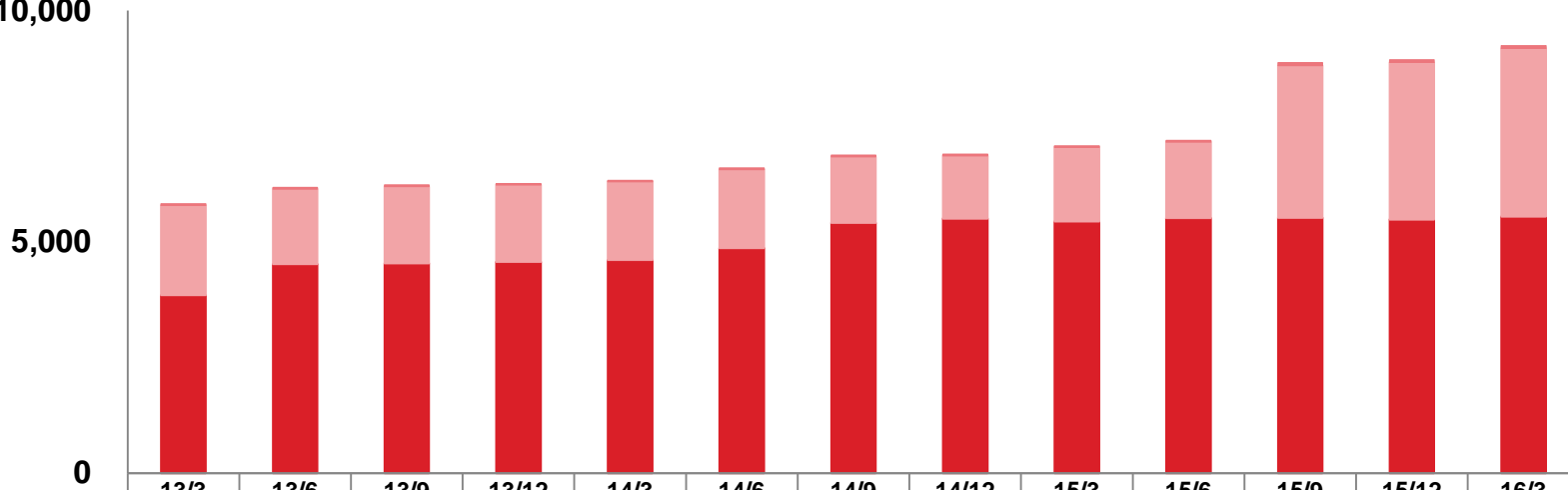


Note 1: Figures in parentheses are number of employees.  
 Note 2: SEVPCO = Senior Executive Vice President Corporate Officer

# Number of Directors and Employees

(at the End of Quarter)

(Number of People) 10,000



	13/3	13/6	13/9	13/12	14/3	14/6	14/9	14/12	15/3	15/6	15/9	15/12	16/3
■ Directors and Auditors of Subsidiaries	35	30	33	31	30	30	38	33	33	33	61	61	54
■ Employees of Subsidiaries	1,938	1,620	1,660	1,658	1,684	1,695	1,421	1,352	1,595	1,642	3,285	3,390	3,630
□ Directors and Auditors of Yahoo Japan Corporation	8	9	9	9	9	11	11	11	11	9	9	9	9
■ Employees of Yahoo Japan Corporation	3,842	4,514	4,531	4,562	4,607	4,860	5,407	5,498	5,439	5,509	5,518	5,480	5,547
<b>Total</b>	<b>5,823</b>	<b>6,173</b>	<b>6,233</b>	<b>6,260</b>	<b>6,330</b>	<b>6,596</b>	<b>6,877</b>	<b>6,894</b>	<b>7,078</b>	<b>7,193</b>	<b>8,873</b>	<b>8,940</b>	<b>9,240</b>

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

# Consolidated Subsidiaries and Associates

(as of March 31, 2016)

## ● Major consolidated subsidiaries

- ◆ ASKUL Corporation
- ◆ Dynatech inc.
- ◆ FirstServer, Inc.
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd
- ◆ ValueCommerce Co., Ltd.
- ◆ YJ Card Corporation
- ◆ Y's Insurance Inc.
- ◆ Carview Corporation
- ◆ ecohai Co., Ltd.
- ◆ GYAO CORPORATION
- ◆ Ikyu Corporation **NEW!**
- ◆ Synergy Marketing, Inc.
- ◆ YJ Capital Inc.
- ◆ YJFX, Inc.
- ◆ Y's Sports Inc.

## ● Major associates

- ◆ BOOKOFF CORPORATION LIMITED
- ◆ GameBank Corp.
- ◆ The Japan Net Bank, Limited
- ◆ BuzzFeed Japan Corporation
- ◆ Sony Real Estate Corporation

# Corporate Governance Structure

