

Yahoo Japan Corporation FY2017 1Q Consolidated Statements of Income Trend (IFRSs)

Unit: Millions of Yen

Grand Total	FY2016				FY2017	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	204,260	205,335	221,361	222,773	212,729	100.0%	-10,043	-4.5%	8,469	+4.1%
Advertising	65,384	69,475	72,967	78,616	70,491	33.1%	-8,124	-10.3%	5,107	+7.8%
Business Services	96,473	93,962	100,552	100,564	99,650	46.8%	-914	-0.9%	3,177	+3.3%
Personal Services	42,403	41,896	47,842	43,591	42,587	20.0%	-1,003	-2.3%	184	+0.4%
Intra-Company Revenue	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	91,214	89,741	96,651	95,905	92,668	43.6%	-3,236	-3.4%	1,454	+1.6%
Gross Profit	113,046	115,593	124,710	126,867	120,060	56.4%	-6,806	-5.4%	7,014	+6.2%
Selling, General and Administrative Expenses	62,169	66,084	72,938	76,238	72,781	34.2%	-3,456	-4.5%	10,612	+17.1%
Other Income and Expenses	-	-	-	-10,736	4,929	2.3%	15,666	n.a.	4,929	n.a.
Operating Income	50,877	49,508	51,772	39,891	52,209	24.5%	12,317	+30.9%	1,332	+2.6%
Other Non-Operating Income and Expenses	74	-765	785	383	3,961	1.9%	3,578	+933.6%	3,887	Approx. 53 times
Equity in Earnings (Losses) of Associates	294	174	241	237	269	0.1%	32	+13.6%	-24	-8.2%
Income before Income Taxes	51,245	48,917	52,799	40,512	56,440	26.5%	15,928	+39.3%	5,195	+10.1%
Net Income	35,221	33,461	36,119	27,830	37,502	17.6%	9,671	+34.8%	2,280	+6.5%
Net Income Attributable to Owners of the Parent	35,508	33,611	35,680	31,790	35,911	16.9%	4,121	+13.0%	403	+1.1%
Operating Margin	24.9%	24.1%	23.4%	17.9%	24.5%	n.a.	6.6%	n.a.	-0.4%	n.a.
Ratio of Income before Income Taxes to Revenue	25.1%	23.8%	23.9%	18.2%	26.5%	n.a.	8.3%	n.a.	1.4%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	17.4%	16.4%	16.1%	14.3%	16.9%	n.a.	2.6%	n.a.	-0.5%	n.a.

Media Business	FY2016				FY2017	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	65,445	69,578	70,027	76,054	67,571	100.0%	-8,483	-11.2%	2,126	+3.2%
Advertising	63,036	66,906	67,927	73,776	65,715	97.3%	-8,061	-10.9%	2,678	+4.2%
Business Services	2,338	2,603	2,032	2,213	1,795	2.7%	-417	-18.9%	-542	-23.2%
Personal Services	69	68	67	65	60	0.1%	-4	-7.6%	-9	-13.8%
Intra-Company Revenue	-	-	-	-	-	n.a.	0	n.a.	0	n.a.
Cost of Sales	14,945	15,213	15,298	16,333	15,192	22.5%	-1,141	-7.0%	246	+1.6%
Gross Profit	50,499	54,365	54,728	59,720	52,379	77.5%	-7,341	-12.3%	1,879	+3.7%
Selling, General and Administrative Expenses	12,397	13,976	13,485	15,037	14,075	20.8%	-961	-6.4%	1,677	+13.5%
Other Income and Expenses	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	38,101	40,388	41,243	44,683	38,303	56.7%	-6,380	-14.3%	202	+0.5%
Operating Margin	58.2%	58.0%	58.9%	58.8%	56.7%	n.a.	-2.1%	n.a.	-1.5%	n.a.

Commerce Business	FY2016				FY2017	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	135,911	133,108	147,872	144,102	142,245	100.0%	-1,857	-1.3%	6,333	+4.7%
Advertising	2,649	2,907	5,431	5,009	5,157	3.6%	147	+3.0%	2,508	+94.7%
Business Services	89,442	86,665	92,871	93,698	93,212	65.5%	-486	-0.5%	3,769	+4.2%
Personal Services	41,909	41,629	47,581	43,336	42,097	29.6%	-1,238	-2.9%	188	+0.5%
Intra-Company Revenue	1,910	1,907	1,987	2,057	1,777	1.2%	-280	-13.6%	-133	-7.0%
Cost of Sales	74,119	72,272	79,010	77,023	75,027	52.7%	-1,996	-2.6%	907	+1.2%
Gross Profit	61,792	60,836	68,861	67,079	67,218	47.3%	138	+0.2%	5,425	+8.8%
Selling, General and Administrative Expenses	39,855	39,870	46,220	47,492	47,193	33.2%	-298	-0.6%	7,337	+18.4%
Other Income and Expenses	-	-	-	-13,006	4,929	3.5%	17,936	n.a.	4,929	n.a.
Operating Income	21,936	20,966	22,641	6,580	24,954	17.5%	18,373	+279.2%	3,017	+13.8%
Operating Margin	16.1%	15.8%	15.3%	4.6%	17.5%	n.a.	13.0%	n.a.	1.4%	n.a.

Others	FY2016				FY2017	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	6,405	6,159	7,099	6,132	6,226	100.0%	94	+1.5%	-179	-2.8%
Advertising	0	0	0	0	0	0.0%	-0	-28.1%	-0	-68.0%
Business Services	4,784	4,809	5,753	4,763	4,755	76.4%	-8	-0.2%	-29	-0.6%
Personal Services	424	198	193	189	429	6.9%	239	+126.5%	5	+1.3%
Intra-Company Revenue	1,196	1,151	1,152	1,179	1,041	16.7%	-137	-11.7%	-154	-12.9%
Cost of Sales	2,204	2,331	2,406	2,619	2,511	40.3%	-107	-4.1%	307	+13.9%
Gross Profit	4,201	3,828	4,693	3,513	3,714	59.7%	201	+5.7%	-486	-11.6%
Selling, General and Administrative Expenses	2,713	2,751	3,210	2,456	2,934	47.1%	478	+19.5%	221	+8.2%
Other Income and Expenses	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	1,487	1,076	1,482	1,056	780	12.5%	-276	-26.2%	-707	-47.6%
Operating Margin	23.2%	17.5%	20.9%	17.2%	12.5%	n.a.	-4.7%	n.a.	-10.7%	n.a.

Adjustments	FY2016				FY2017	% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	-3,502	-3,512	-3,637	-3,516	-3,313	n.a.	203	n.a.	189	n.a.
Advertising	-301	-337	-392	-169	-380	n.a.	-211	n.a.	-79	n.a.
Business Services	-93	-115	-104	-110	-112	n.a.	-2	n.a.	-19	n.a.
Personal Services	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Intra-Company Revenue	-3,107	-3,058	-3,139	-3,237	-2,819	n.a.	417	n.a.	288	n.a.
Cost of Sales	-55	-75	-63	-70	-62	n.a.	8	n.a.	-6	n.a.
Gross Profit	-3,446	-3,436	-3,573	-3,446	-3,251	n.a.	195	n.a.	195	n.a.
Selling, General and Administrative Expenses	7,201	9,486	10,021	11,252	8,577	n.a.	-2,675	-23.8%	1,375	+19.1%
Other Income and Expenses	-	-	-	2,269	-	n.a.	-2,269	n.a.	-	n.a.
Operating Income	-10,648	-12,922	-13,595	-12,429	-11,828	n.a.	600	n.a.	-1,180	n.a.
Operating Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Note 1: The group has changed the business segment disclosure from the announcement of business results for FY2017-1Q. Prior data and comparative figures have been retroactively adjusted to reflect the new business segments.

Note 2: The main changes in the segments are: i) change in the segment name from "Marketing Solutions Business" to "Media Business"; ii) integration of Financial & Payment-related figures that were previously recorded in "Others" and "Consumer Business" to "Commerce Business"; iii) transfer of some of the services previously included in "Marketing Solutions Business" and "Consumer Business" to "Others".

Note 3: Adjustments figures represent inter-segment and general corporate expenses not belonging to any reporting segment.

Note 4: The group recorded the damages of ¥13.0 billion as Other Expenses in FY2016-4Q as a result of the fire incident at the logistics center of ASKUL Corporation.

Note 5: The group recorded the insurance proceeds of ¥4.9 billion as Other Income in FY2017-1Q as a result of the fire incident at the logistics center of ASKUL Corporation.