

Yahoo Japan Corporation FY2017 3Q 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	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	204,260	205,335	221,361	222,773	212,729	215,292	230,771	100.0%	15,479	+7.2%	9,409	+4.3%
Advertising	65,384	69,475	72,967	78,616	70,491	74,373	77,802	33.7%	3,428	+4.6%	4,835	+6.6%
Business Services	96,473	93,962	100,552	100,564	99,650	97,768	103,883	45.0%	6,115	+6.3%	3,331	+3.3%
Personal Services	42,403	41,896	47,842	43,591	42,587	43,150	49,085	21.3%	5,935	+13.8%	1,243	+2.6%
Intra-Company Revenue	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	91,214	89,741	96,651	95,905	92,668	89,302	97,876	42.4%	8,573	+9.6%	1,224	+1.3%
Gross Profit	113,046	115,593	124,710	126,867	120,060	125,990	132,895	57.6%	6,905	+5.5%	8,185	+6.6%
Selling, General and Administrative Expenses	62,169	66,084	72,938	76,238	72,781	83,221	83,636	36.2%	415	+0.5%	10,698	+14.7%
Other Income and Expenses	-	-	-	-10,736	4,929	-	3,566	1.5%	3,566	n.a.	3,566	n.a.
Operating Income	50,877	49,508	51,772	39,891	52,209	42,768	52,825	22.9%	10,056	+23.5%	1,053	+2.0%
Other Non-Operating Income and Expenses	74	-765	785	383	3,961	2,132	719	0.3%	-1,413	-66.3%	-66	-8.5%
Equity in Earnings (Losses) of Associates	294	174	241	237	269	333	424	0.2%	91	+27.4%	182	+75.6%
Income before Income Taxes	51,245	48,917	52,799	40,512	56,440	45,234	53,969	23.4%	8,734	+19.3%	1,169	+2.2%
Net Income	35,221	33,461	36,119	27,830	37,502	31,221	37,048	16.1%	5,827	+18.7%	928	+2.6%
Net Income Attributable to Owners of the Parent	35,508	33,611	35,680	31,790	35,911	31,728	35,498	15.4%	3,769	+11.9%	-182	-0.5%
Operating Margin	24.9%	24.1%	23.4%	17.9%	24.5%	19.9%	22.9%	n.a.	3.0%	n.a.	-0.5%	n.a.
Ratio of Income before Income Taxes to Revenue	25.1%	23.8%	23.9%	18.2%	26.5%	21.0%	23.4%	n.a.	2.4%	n.a.	-0.5%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	17.4%	16.4%	16.1%	14.3%	16.9%	14.7%	15.4%	n.a.	0.6%	n.a.	-0.7%	n.a.

Media Business	FY2016				FY2017			% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	65,445	69,578	70,027	76,054	67,571	71,073	72,828	100.0%	1,754	+2.5%	2,800	+4.0%
Advertising	63,036	66,906	67,927	73,776	65,715	69,250	70,937	97.4%	1,687	+2.4%	3,009	+4.4%
Business Services	2,338	2,603	2,032	2,213	1,795	1,764	1,831	2.5%	67	+3.8%	-200	-9.9%
Personal Services	69	68	67	65	60	59	59	0.1%	0	+0.0%	-7	-11.6%
Intra-Company Revenue	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	14,945	15,213	15,298	16,333	15,192	12,566	13,760	18.9%	1,194	+9.5%	-1,538	-10.1%
Gross Profit	50,499	54,365	54,728	59,720	52,379	58,507	59,068	81.1%	560	+1.0%	4,339	+7.9%
Selling, General and Administrative Expenses	12,397	13,976	13,485	15,037	14,075	17,382	15,079	20.7%	-2,303	-13.3%	1,593	+11.8%
Other Income and Expenses	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	38,101	40,388	41,243	44,683	38,303	41,124	43,988	60.4%	2,864	+7.0%	2,745	+6.7%
Operating Margin	58.2%	58.0%	58.9%	58.8%	56.7%	57.9%	60.4%	n.a.	2.5%	n.a.	1.5%	n.a.

Commerce Business	FY2016				FY2017			% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	135,911	133,108	147,872	144,102	142,245	141,478	154,225	100.0%	12,746	+9.0%	6,352	+4.3%
Advertising	2,649	2,907	5,431	5,009	5,157	5,271	7,301	4.7%	2,030	+38.5%	1,869	+34.4%
Business Services	89,442	86,665	92,871	93,698	93,212	91,581	96,797	62.8%	5,215	+5.7%	3,926	+4.2%
Personal Services	41,909	41,629	47,581	43,336	42,097	42,882	48,835	31.7%	5,952	+13.9%	1,253	+2.6%
Intra-Company Revenue	1,910	1,907	1,987	2,057	1,777	1,742	1,290	0.8%	-452	-26.0%	-696	-35.1%
Cost of Sales	74,119	72,272	79,010	77,023	75,027	74,313	81,698	53.0%	7,385	+9.9%	2,688	+3.4%
Gross Profit	61,792	60,836	68,861	67,079	67,218	67,165	72,526	47.0%	5,361	+8.0%	3,664	+5.3%
Selling, General and Administrative Expenses	39,855	39,870	46,220	47,492	47,193	52,728	53,482	34.7%	753	+1.4%	7,261	+15.7%
Other Income and Expenses	-	-	-	-13,006	4,929	-	3,561	2.3%	3,561	n.a.	3,561	n.a.
Operating Income	21,936	20,966	22,641	6,580	24,954	14,436	22,605	14.7%	8,168	+56.6%	-35	-0.2%
Operating Margin	16.1%	15.8%	15.3%	4.6%	17.5%	10.2%	14.7%	n.a.	4.5%	n.a.	-0.7%	n.a.

Others	FY2016				FY2017			% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	6,405	6,159	7,099	6,132	6,226	5,752	6,590	100.0%	837	+14.6%	-508	-7.2%
Advertising	0	0	0	0	0	0	0	0.0%	-0	-30.3%	-0	-64.7%
Business Services	4,784	4,809	5,753	4,763	4,755	4,557	5,404	82.0%	846	+18.6%	-349	-6.1%
Personal Services	424	198	193	189	429	207	190	2.9%	-16	-8.1%	-2	-1.2%
Intra-Company Revenue	1,196	1,151	1,152	1,179	1,041	987	995	15.1%	8	+0.8%	-156	-13.6%
Cost of Sales	2,204	2,331	2,406	2,619	2,511	2,487	2,508	38.1%	20	+0.8%	102	+4.3%
Gross Profit	4,201	3,828	4,693	3,513	3,714	3,264	4,082	61.9%	817	+25.0%	-611	-13.0%
Selling, General and Administrative Expenses	2,713	2,751	3,210	2,456	2,934	2,910	3,239	49.2%	329	+11.3%	29	+0.9%
Other Income and Expenses	-	-	-	-	-	-	5	0.1%	5	n.a.	5	n.a.
Operating Income	1,487	1,076	1,482	1,056	780	354	847	12.9%	492	+138.8%	-635	-42.8%
Operating Margin	23.2%	17.5%	20.9%	17.2%	12.5%	6.2%	12.9%	n.a.	6.7%	n.a.	-8.0%	n.a.

Adjustments	FY2016				FY2017			% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	-3,502	-3,512	-3,637	-3,516	-3,313	-3,012	-2,872	n.a.	140	n.a.	764	n.a.
Advertising	-301	-337	-392	-169	-380	-147	-436	n.a.	-288	n.a.	-44	n.a.
Business Services	-93	-115	-104	-110	-112	-135	-149	n.a.	-14	n.a.	-44	n.a.
Personal Services	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Intra-Company Revenue	-3,107	-3,058	-3,139	-3,237	-2,819	-2,730	-2,285	n.a.	444	n.a.	853	n.a.
Cost of Sales	-55	-75	-63	-70	-62	-65	-91	n.a.	-25	n.a.	-27	n.a.
Gross Profit	-3,446	-3,436	-3,573	-3,446	-3,251	-2,947	-2,780	n.a.	166	n.a.	792	n.a.
Selling, General and Administrative Expenses	7,201	9,486	10,021	11,252	8,577	10,199	11,835	n.a.	1,635	+16.0%	1,813	+18.1%
Other Income and Expenses	-	-	-	2,269	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	-10,648	-12,922	-13,595	-12,429	-11,828	-13,147	-14,616	n.a.	-1,468	n.a.	-1,020	n.a.
Operating Margin	n.a.	n.a.	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 reporting segments from the announcement of business results for FY2017-1Q.

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 2: In the case where any major service has been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

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

Note 4: As for the breakdown of the inner classifications of business segments (Advertising, Business Services, Personal Services), please refer to "Business Segment Breakdown" described in the supplemental information of the Earnings Slides.

Note 5: 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 6: 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.

Note 7: The group recorded gain on ASKUL Corporation's sales of property and equipment of ¥3.5 billion as Other Income in FY2017-3Q.