

Yahoo Japan Corporation FY2017 4Q 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	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	204,260	205,335	221,361	222,773	212,729	215,292	230,771		238,391	100.0%	7,620	+3.3%
Advertising	65,384	69,475	72,967	78,616	70,491	74,373	77,802	80,775	33.9%	2,973	+3.8%	2,158	+2.7%
Business Services	96,473	93,962	100,552	100,564	99,650	97,768	103,883	106,338	44.6%	2,454	+2.4%	5,773	+5.7%
Personal Services	42,403	41,896	47,842	43,591	42,587	43,150	49,085	50,912	21.4%	1,826	+3.7%	7,320	+16.8%
Others	-	-	-	-	-	-	-	365	0.2%	365	n.a.	365	n.a.
Intra-Company Revenue	-	-	-	-	-	-	-	-	0.0%	-	n.a.	-	n.a.
Cost of Sales	91,214	89,741	96,651	95,905	92,668	89,302	97,876	102,620	43.0%	4,744	+4.8%	6,714	+7.0%
Selling, General and Administrative Expenses	62,169	66,084	72,938	76,238	72,781	83,221	83,636	99,934	41.9%	16,297	+19.5%	23,695	+31.1%
Other Income and Expenses	-	-	-	-10,736	4,929	-	3,566	2,169	0.9%	-1,397	-39.2%	12,906	n.a.
Operating Income	50,877	49,508	51,772	39,891	52,209	42,768	52,825	38,006	15.9%	-14,819	-28.1%	-1,885	-4.7%
Other Non-Operating Income and Expenses	74	-765	785	383	3,961	2,132	719	-491	-0.2%	-1,210	n.a.	-874	n.a.
Equity in Earnings (Losses) of Associates	294	174	241	237	269	333	424	17	0.0%	-406	-95.8%	-219	-92.5%
Income before Income Taxes	51,245	48,917	52,799	40,512	56,440	45,234	53,969	37,532	15.7%	-16,436	-30.5%	-2,980	-7.4%
Net Income	35,221	33,461	36,119	27,830	37,502	31,221	37,048	28,641	12.0%	-8,407	-22.7%	810	+2.9%
Net Income Attributable to Owners of the Parent	35,508	33,611	35,680	31,790	35,911	31,728	35,498	28,015	11.8%	-7,482	-21.1%	-3,775	-11.9%
Operating Margin	24.9%	24.1%	23.4%	17.9%	24.5%	19.9%	22.9%	15.9%	n.a.	-6.9%	n.a.	-2.0%	n.a.
Ratio of Income before Income Taxes to Revenue	25.1%	23.8%	23.9%	18.2%	26.5%	21.0%	23.4%	15.7%	n.a.	-7.6%	n.a.	-2.4%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	17.4%	16.4%	16.1%	14.3%	16.9%	14.7%	15.4%	11.8%	n.a.	-3.6%	n.a.	-2.5%	n.a.

Media Business	FY2016				FY2017				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	65,445	69,578	70,027	76,054	67,571	71,073	72,828		76,885	100.0%	4,057	+5.6%
Advertising	63,036	66,906	67,927	73,776	65,715	69,250	70,937	74,916	97.4%	3,979	+5.6%	1,140	+1.5%
Business Services	2,338	2,603	2,032	2,213	1,795	1,764	1,831	1,910	2.5%	78	+4.3%	-302	-13.7%
Personal Services	69	68	67	65	60	59	59	58	0.1%	-0	-0.9%	-6	-9.7%
Intra-Company Revenue	-	-	-	-	-	-	-	-	0.0%	-	n.a.	-	n.a.
Cost of Sales	14,945	15,213	15,298	16,333	15,192	12,566	13,760	14,346	18.7%	585	+4.3%	-1,987	-12.2%
Selling, General and Administrative Expenses	12,397	13,976	13,485	15,037	14,075	17,382	15,079	16,776	21.8%	1,697	+11.3%	1,739	+11.6%
Other Income and Expenses	-	-	-	-	-	-	-	-	0.0%	-	n.a.	-	n.a.
Operating Income	38,101	40,388	41,243	44,683	38,303	41,124	43,988	45,763	59.5%	1,774	+4.0%	1,079	+2.4%
Operating Margin	58.2%	58.0%	58.9%	58.8%	56.7%	57.9%	60.4%	59.5%	n.a.	-0.9%	n.a.	0.8%	n.a.

Commerce Business	FY2016				FY2017				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	135,911	133,108	147,872	144,102	142,245	141,478	154,225		158,617	100.0%	4,392	+2.8%
Advertising	2,649	2,907	5,431	5,009	5,157	5,271	7,301	6,332	4.0%	-968	-13.3%	1,322	+26.4%
Business Services	89,442	86,665	92,871	93,698	93,212	91,581	96,797	99,957	63.0%	3,159	+3.3%	6,258	+6.7%
Personal Services	41,909	41,629	47,581	43,336	42,097	42,882	48,835	50,670	31.9%	1,835	+3.8%	7,334	+16.9%
Others	-	-	-	-	-	-	-	365	0.2%	365	n.a.	365	n.a.
Intra-Company Revenue	1,910	1,907	1,987	2,057	1,777	1,742	1,290	1,291	0.8%	0	+0.0%	-766	-37.3%
Cost of Sales	74,119	72,272	79,010	77,023	75,027	74,313	81,698	85,506	53.9%	3,808	+4.7%	8,483	+11.0%
Selling, General and Administrative Expenses	39,855	39,870	46,220	47,492	47,193	52,728	53,482	62,009	39.1%	8,527	+15.9%	14,517	+30.6%
Other Income and Expenses	-	-	-	-13,006	4,929	-	3,561	2,168	1.4%	-1,392	-39.1%	15,174	n.a.
Operating Income	21,936	20,966	22,641	6,580	24,954	14,436	22,605	13,269	8.4%	-9,335	-41.3%	6,689	+101.6%
Operating Margin	16.1%	15.8%	15.3%	4.6%	17.5%	10.2%	14.7%	8.4%	n.a.	-6.3%	n.a.	3.8%	n.a.

Others	FY2016				FY2017				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	6,405	6,159	7,099	6,132	6,226	5,752	6,590		5,847	100.0%	-743	-11.3%
Advertising	0	0	0	0	0	0	0	0	0.0%	0	-38.2%	0	-74.5%
Business Services	4,784	4,809	5,753	4,763	4,755	4,557	5,404	4,627	79.1%	-776	-14.4%	-136	-2.9%
Personal Services	424	198	193	189	429	207	190	182	3.1%	-8	-4.4%	-7	-3.7%
Intra-Company Revenue	1,196	1,151	1,152	1,179	1,041	987	995	1,037	17.7%	41	+4.2%	-142	-12.0%
Cost of Sales	2,204	2,331	2,406	2,619	2,511	2,487	2,508	2,898	49.6%	390	+15.6%	279	+10.7%
Selling, General and Administrative Expenses	2,713	2,751	3,210	2,456	2,934	2,910	3,239	3,091	52.9%	-148	-4.6%	635	+25.9%
Other Income and Expenses	-	-	-	-	-	-	5	0	0.0%	-4	-88.3%	0	n.a.
Operating Income	1,487	1,076	1,482	1,056	780	354	847	-142	-2.4%	-989	n.a.	-1,199	n.a.
Operating Margin	23.2%	17.5%	20.9%	17.2%	12.5%	6.2%	12.9%	-2.4%	n.a.	-15.3%	n.a.	-19.7%	n.a.

Adjustments	FY2016				FY2017				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	-3,502	-3,512	-3,637	-3,516	-3,313	-3,012	-2,872		-2,958	n.a.	-86	n.a.
Advertising	-301	-337	-392	-169	-380	-147	-436	-473	n.a.	-36	n.a.	-304	n.a.
Business Services	-93	-115	-104	-110	-112	-135	-149	-156	n.a.	-7	n.a.	-46	n.a.
Personal Services	-	-	-	-	-	-	-	-	n.a.	-	n.a.	0	n.a.
Intra-Company Revenue	-3,107	-3,058	-3,139	-3,237	-2,819	-2,730	-2,285	-2,328	n.a.	-42	n.a.	908	n.a.
Cost of Sales	-55	-75	-63	-70	-62	-65	-91	-130	n.a.	-39	n.a.	-60	n.a.
Selling, General and Administrative Expenses	7,201	9,486	10,021	11,252	8,577	10,199	11,835	18,056	n.a.	6,221	+52.6%	6,804	+60.5%
Other Income and Expenses	-	-	-	-2,269	-	-	-	-	n.a.	-	n.a.	-2,269	n.a.
Operating Income	-10,648	-12,922	-13,595	-12,429	-11,828	-13,147	-14,616	-20,884	n.a.	-6,268	n.a.	-8,455	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.	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, Others), 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.

Note 8: The group recorded gain on forgiveness of debt of ¥1.7 billion as Other Income in FY2017-4Q as a result of the fire incident at the logistics center of ASKUL Corporation.

Note 9: Made The Japan Net Bank, Limited to a consolidated subsidiary on February 1, 2018.

Note 10: Investment profit, etc., of The Japan Net Bank, Limited is recorded as "Others" in the revenue of the "Commerce Business".

Yahoo Japan Corporation Full Year Consolidated Statements of Income Trend (IFRSs)

Unit: Millions of Yen

Grand Total	Fiscal Year					% of Revenue	Year-on-Year	
	2013	2014	2015	2016	2017		Increase/Decrease	Change
Revenue	408,514	428,487	652,327	853,730	897,185	100.0%	43,455	+5.1%
Advertising	232,530	249,828	266,911	286,443	303,443	33.8%	16,999	+5.9%
Business Services	72,398	70,107	251,530	391,552	407,640	45.4%	16,087	+4.1%
Personal Services	103,586	108,551	133,885	175,733	185,735	20.7%	10,002	+5.7%
Others	-	-	-	-	365	0.0%	365	n.a.
Intra-Company Revenue	-	-	-	-	-	n.a.	-	n.a.
Cost of Sales	75,860	85,501	247,372	373,513	382,467	42.6%	8,954	+2.4%
Selling, General and Administrative Expenses	136,215	145,774	239,653	277,430	339,573	37.8%	62,143	+22.4%
Other Income and Expenses	-	-	59,696	-10,736	10,665	1.2%	21,402	n.a.
Operating Income	196,437	197,212	224,997	192,049	185,810	20.7%	-6,239	-3.2%
Other Non-Operating Income and Expenses	11,880	9,413	270	477	6,321	0.7%	5,843	approx. 13 times
Equity in Earnings (Losses) of Associates	-94	1,672	1,317	947	1,045	0.1%	97	+10.3%
Income before Income Taxes	208,224	208,298	226,585	193,475	193,177	21.5%	-298	-0.2%
Net Income	129,667	133,933	172,492	132,634	134,412	15.0%	1,778	+1.3%
Net Income Attributable to Owners of the Parent	128,605	133,051	171,617	136,589	131,153	14.6%	-5,436	-4.0%
Operating Margin	48.1%	46.0%	34.5%	22.5%	20.7%	n.a.	-1.8%	n.a.
Ratio of Income before Income Taxes to Revenue	51.0%	48.6%	34.7%	22.7%	21.5%	n.a.	-1.1%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	31.5%	31.1%	26.3%	16.0%	14.6%	n.a.	-1.4%	n.a.

Media Business	Fiscal Year					% of Revenue	Year-on-Year	
	2013	2014	2015	2016	2017		Increase/Decrease	Change
Revenue	-	-	-	281,105	288,359	100.0%	7,253	+2.6%
Advertising	-	-	-	271,647	280,819	97.4%	9,172	+3.4%
Business Services	-	-	-	9,187	7,301	2.5%	-1,885	-20.5%
Personal Services	-	-	-	270	237	0.1%	-32	-12.2%
Intra-Company Revenue	-	-	-	-	-	n.a.	-	n.a.
Cost of Sales	-	-	-	61,791	55,864	19.4%	-5,926	-9.6%
Selling, General and Administrative Expenses	-	-	-	54,897	63,314	22.0%	8,416	+15.3%
Other Income and Expenses	-	-	-	-	-	n.a.	-	n.a.
Operating Income	-	-	-	164,416	169,180	58.7%	4,763	+2.9%
Operating Margin	n.a.	n.a.	n.a.	58.5%	58.7%	n.a.	0.2%	n.a.

Commerce Business	Fiscal Year					% of Revenue	Year-on-Year	
	2013	2014	2015	2016	2017		Increase/Decrease	Change
Revenue	-	-	-	560,995	596,567	100.0%	35,571	+6.3%
Advertising	-	-	-	15,997	24,062	4.0%	8,065	+50.4%
Business Services	-	-	-	362,678	381,549	64.0%	18,871	+5.2%
Personal Services	-	-	-	174,456	184,487	30.9%	10,030	+5.7%
Others	-	-	-	-	365	0.1%	365	n.a.
Intra-Company Revenue	-	-	-	7,863	6,102	1.0%	-1,761	-22.4%
Cost of Sales	-	-	-	302,425	316,545	53.1%	14,120	+4.7%
Selling, General and Administrative Expenses	-	-	-	173,438	215,413	36.1%	41,974	+24.2%
Other Income and Expenses	-	-	-	-13,006	10,659	1.8%	23,666	n.a.
Operating Income	-	-	-	72,125	75,267	12.6%	3,141	+4.4%
Operating Margin	n.a.	n.a.	n.a.	12.9%	12.6%	n.a.	-0.2%	n.a.

Others	Fiscal Year					% of Revenue	Year-on-Year	
	2013	2014	2015	2016	2017		Increase/Decrease	Change
Revenue	-	-	-	25,796	24,416	100.0%	-1,380	-5.4%
Advertising	-	-	-	0	0	0.0%	0	-68.1%
Business Services	-	-	-	20,111	19,343	79.2%	-767	-3.8%
Personal Services	-	-	-	1,005	1,010	4.1%	5	+0.5%
Intra-Company Revenue	-	-	-	4,679	4,061	16.6%	-617	-13.2%
Cost of Sales	-	-	-	9,561	10,406	42.6%	844	+8.8%
Selling, General and Administrative Expenses	-	-	-	11,131	12,176	49.9%	1,044	+9.4%
Other Income and Expenses	-	-	-	-	5	0.0%	5	n.a.
Operating Income	-	-	-	5,103	1,840	7.5%	-3,263	-63.9%
Operating Margin	n.a.	n.a.	n.a.	19.8%	7.5%	n.a.	-12.2%	n.a.

Adjustments	Fiscal Year					% of Revenue	Year-on-Year	
	2013	2014	2015	2016	2017		Increase/Decrease	Change
Revenue	-	-	-	-14,168	-12,157	n.a.	2,010	n.a.
Advertising	-	-	-	-1,201	-1,438	n.a.	-237	n.a.
Business Services	-	-	-	-424	-554	n.a.	-130	n.a.
Personal Services	-	-	-	-	-	n.a.	-	n.a.
Intra-Company Revenue	-	-	-	-12,542	-10,163	n.a.	2,379	n.a.
Cost of Sales	-	-	-	-265	-349	n.a.	-84	n.a.
Selling, General and Administrative Expenses	-	-	-	37,962	48,669	n.a.	10,706	+28.2%
Other Income and Expenses	-	-	-	2,269	-	n.a.	-2,269	n.a.
Operating Income	-	-	-	-49,596	-60,477	n.a.	-10,881	n.a.
Operating Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Note 1: Yahoo Japan Corporation adopted International Financial Reporting Standards (IFRSs) beginning with the fiscal year ended March 31, 2015 (FY2014).

Note 2: 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 3: 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 4: Adjustments figures represent inter-segment transaction and general corporate expenses not belonging to any reporting segment.

Note 5: As for the breakdown of the inner classifications of business segments (Advertising, Business Services, Personal Services, Others), please refer to "Business Segment Breakdown" described in the supplemental information of the Earnings Slides.

Note 6: Made ASKUL Corporation to a consolidated subsidiary on August 27, 2015.

Note 7: Made Ikyu Corporation to a consolidated subsidiary on February 3, 2016.

Note 8: Made The Japan Net Bank, Limited to a consolidated subsidiary on February 1, 2018.

Note 9: Investment profit, etc., of The Japan Net Bank, Limited is recorded as "Others" in the revenue of the "Commerce Business".