

**Yahoo Japan Corporation FY2018/2Q Consolidated Statements of Income Trend (IFRSs)**

Unit: Millions of Yen

Grand Total	FY2017				FY2018		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	212,729	215,292	230,771	238,391	231,855	233,163	100.0%	1,307	+0.6%	17,871	+8.3%
Advertising	70,491	74,373	77,802	80,775	76,427	79,354	34.0%	2,927	+3.8%	4,980	+6.7%
Business Services	99,650	97,768	103,883	106,338	101,780	99,192	42.5%	-2,588	-2.5%	1,423	+1.5%
Personal Services	42,587	43,150	49,085	50,912	52,968	53,304	22.9%	336	+0.6%	10,154	+23.5%
Others	-	-	-	365	679	1,312	0.6%	633	+93.3%	1,312	n.a.
Intra-Company Revenue	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	92,668	89,302	97,876	102,620	101,250	98,993	42.5%	-2,256	-2.2%	9,691	+10.9%
Selling, General and Administrative Expenses	72,781	83,221	83,636	99,934	90,998	98,642	42.3%	7,644	+8.4%	15,421	+18.5%
Other Income and Expenses	4,929	-	3,566	2,169	7,977	-	n.a.	-7,977	n.a.	-	n.a.
Operating Income	52,209	42,768	52,825	38,006	47,584	35,527	15.2%	-12,056	-25.3%	-7,241	-16.9%
Other Non-Operating Income and Expenses	3,961	2,132	719	-491	688	551	0.2%	-137	-20.0%	-1,581	-74.1%
Equity in Earnings (Losses) of Associates	269	333	424	17	208	-1,174	-0.5%	-1,383	n.a.	-1,507	n.a.
Income before Income Taxes	56,440	45,234	53,969	37,532	48,481	34,904	15.0%	-13,577	-28.0%	-10,330	-22.8%
Net Income	37,502	31,221	37,048	28,641	32,647	22,794	9.8%	-9,852	-30.2%	-8,426	-27.0%
Net Income Attributable to Owners of the Parent	35,911	31,728	35,498	28,015	32,673	22,473	9.6%	-10,199	-31.2%	-9,254	-29.2%
Operating Margin	24.5%	19.9%	22.9%	15.9%	20.5%	15.2%	n.a.	-5.3%	n.a.	-4.6%	n.a.
Ratio of Income before Income Taxes to Revenue	26.5%	21.0%	23.4%	15.7%	20.9%	15.0%	n.a.	-5.9%	n.a.	-6.0%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	16.9%	14.7%	15.4%	11.8%	14.1%	9.6%	n.a.	-4.5%	n.a.	-5.1%	n.a.

Media Business	FY2017				FY2018		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	68,112	71,670	73,437	77,370	72,174	75,127	100.0%	2,953	+4.1%	3,457	+4.8%
Advertising	65,683	69,206	70,908	74,880	70,139	73,087	97.3%	2,947	+4.2%	3,881	+5.6%
Business Services	1,896	1,883	1,926	2,011	1,769	1,747	2.3%	-22	-1.3%	-136	-7.2%
Personal Services	532	580	602	479	265	292	0.4%	27	+10.4%	-287	-49.5%
Intra-Company Revenue	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	15,939	13,435	14,470	14,768	16,673	17,712	23.6%	1,038	+6.2%	4,276	+31.8%
Selling, General and Administrative Expenses	16,313	20,995	18,131	20,534	18,754	22,097	29.4%	3,342	+17.8%	1,101	+5.2%
Other Income and Expenses	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	35,859	37,238	40,835	42,068	36,745	35,317	47.0%	-1,427	-3.9%	-1,921	-5.2%
Operating Margin	52.6%	52.0%	55.6%	54.4%	50.9%	47.0%	n.a.	-3.9%	n.a.	-4.9%	n.a.

Commerce Business	FY2017				FY2018		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	140,798	139,983	153,376	157,923	158,467	157,837	100.0%	-630	-0.4%	17,853	+12.8%
Advertising	5,158	5,271	7,301	6,332	6,602	6,633	4.2%	31	+0.5%	1,362	+25.9%
Business Services	93,204	91,564	96,789	99,945	98,166	96,369	61.1%	-1,797	-1.8%	4,804	+5.2%
Personal Services	41,625	42,361	48,292	50,250	52,198	52,780	33.4%	582	+1.1%	10,418	+24.6%
Others	-	-	-	365	679	1,312	0.8%	633	+93.3%	1,312	n.a.
Intra-Company Revenue	809	785	992	1,029	820	740	0.5%	-80	-9.8%	-45	-5.7%
Cost of Sales	74,284	73,446	80,990	85,087	84,075	81,227	51.5%	-2,848	-3.4%	7,781	+10.6%
Selling, General and Administrative Expenses	45,254	49,542	51,625	59,565	58,966	60,904	38.6%	1,938	+3.3%	11,362	+22.9%
Other Income and Expenses	4,929	-	3,561	2,168	0	-	n.a.	-0	n.a.	-	n.a.
Operating Income	26,189	16,995	24,322	15,438	15,425	15,704	10.0%	279	+1.8%	-1,290	-7.6%
Operating Margin	18.6%	12.1%	15.9%	9.8%	9.7%	10.0%	n.a.	+0.2%	n.a.	-2.2%	n.a.

Others	FY2017				FY2018		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	5,948	5,467	6,330	5,580	3,173	2,118	100.0%	-1,054	-33.2%	-3,349	-61.3%
Advertising	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Business Services	4,663	4,455	5,317	4,538	1,845	1,074	50.7%	-770	-41.8%	-3,380	-75.9%
Personal Services	429	207	190	182	504	230	10.9%	-274	-54.3%	22	+11.1%
Intra-Company Revenue	855	805	822	859	823	813	38.4%	-10	-1.2%	8	+1.0%
Cost of Sales	2,507	2,485	2,506	2,894	819	67	3.2%	-751	-91.8%	-2,417	-97.3%
Selling, General and Administrative Expenses	2,365	1,922	2,681	2,399	1,411	1,426	67.3%	15	+1.1%	-495	-25.8%
Other Income and Expenses	-	-	5	-250	7,977	-	n.a.	-7,977	n.a.	-	n.a.
Operating Income	1,075	1,060	1,148	538	8,920	624	29.5%	-8,295	-93.0%	-435	-41.1%
Operating Margin	18.1%	19.4%	18.1%	9.6%	281.1%	29.5%	n.a.	n.a.	n.a.	+10.1%	n.a.

Adjustments	FY2017				FY2018		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	-2,129	-1,829	-2,373	-2,483	-1,959	-1,920	n.a.	39	n.a.	-90	n.a.
Advertising	-350	-103	-408	-437	-314	-366	n.a.	-51	n.a.	-262	n.a.
Business Services	-112	-135	-149	-156	0	0	n.a.	1	n.a.	135	n.a.
Personal Services	-	-	-	-	0	0	n.a.	0	n.a.	0	n.a.
Intra-Company Revenue	-1,665	-1,590	-1,815	-1,889	-1,644	-1,553	n.a.	90	n.a.	36	n.a.
Cost of Sales	-62	-65	-91	-130	-318	-13	n.a.	304	n.a.	51	n.a.
Selling, General and Administrative Expenses	8,848	10,760	11,198	17,435	11,865	14,213	n.a.	2,348	+19.8%	3,453	+32.1%
Other Income and Expenses	-	-	-	-250	0	-	n.a.	0	n.a.	-	n.a.
Operating Income	-10,915	-12,525	-13,480	-20,039	-13,507	-16,119	n.a.	-2,612	n.a.	-3,594	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.

Note 1: Reporting segments for some services have been changed from FY2018-1Q. The main change is the transfer of GYAO Corporation and video-related services, etc., from "Commerce Business" to "Media Business". Prior data and comparative figures have been adjusted to the current segments retroactively.

Note 2: In accordance with the change in accounting policy, part of the payment fees which was recorded as cost of sales, etc. has been deducted from revenue from FY2018-1Q. Prior data and comparative figures have not been retroactively adjusted.

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: In FY2017-1Q, insurance proceeds of ¥4.9 billion as a result of the fire incident at the logistics center of ASKUL Corporation is recorded in "Other Income and Expenses" in "Commerce Business".

Note 6: In FY2017-3Q, gain on ASKUL Corporation's sales of property and equipment of ¥3.5 billion is recorded in "Other Income and Expenses" in "Commerce Business".

Note 7: In FY2017-4Q, gain on forgiveness of debt of ¥1.7 billion as a result of the fire incident at the logistics center of ASKUL Corporation is recorded in "Other Income and Expenses" in "Commerce Business".

Note 8: The group has made The Japan Net Bank, Limited its 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".

Note10: In FY2018-1Q, gain in sales of shares of IDC Frontier Inc. of ¥7.9 billion is included in "Other Income and Expenses" in "Others".