

**Outline of Q&A Session at Investors Meeting
on Results for the Three Months Ended June 30, 2018 (Held on July 27, 2018)**

Please note that the content has been supplemented, edited, and reordered for greater clarity and ease of understanding.

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Q. Will Yahoo! Wallet be integrated into PayPay in the future?

A. PayPay, a mobile payment service, and Yahoo! Wallet have different structures. For the time being, we will make it easy for Yahoo! Wallet users to use PayPay through ID linkage. In the long run, we are thinking of consolidating mobile payment functions into PayPay.

Q. Why did you choose Paytm as a partner of PayPay? What competitive advantages does Paytm have?

A. We considered both options of developing the system ourselves and collaborating with a group company. We chose the latter with a focus on making Japan a cashless country and becoming No. 1 in transaction value in Japan. We looked into several companies for alliance but chose Paytm because its mobile payment had an easy-to-localize structure. We also had a common view on monetization policy. Instead of monetizing through payment fees, we intend to monetize through financial and O2O services. In addition, Paytm's backend structure excelled in various details. All things considered, we decided to collaborate with Paytm.

Q. What specifically do you mean by linkage between mobile payment and approximately 100 types of services? In order to differentiate with other companies, what is your view on point rewards?

A. Our group provides many services in which we provide information on the Internet and refer users to offline stores (e.g. restaurant and lodging reservation). In these services, we would like to appeal the benefit of using mobile payment to users before they visit the offline stores. We plan to provide point rewards, however, the priority is low and we do not plan to do so in a large scale. Our focus is to enhance use opportunities and usability

of mobile payment.

Q. You explained that PayPay Corporation will be an equity-method affiliate. Will the JPY 20 billion commerce-related expenditure for FY2018 be used to invest in PayPay Corporation instead of operating expense?

A. PayPay Corporation will be the operator of the business, but we are currently discussing the roles of each party including SoftBank Corp. and Yahoo Japan Corporation. We plan to reconsider the expense plan as soon as this division of roles is decided.

Q. Which strength of SoftBank Corp. do you intend to utilize in order to promote the acquisition of PayPay merchants?

A. SoftBank Corp. has strong ties with nation-wide companies and will contribute to the business development with chain stores. Meanwhile, we need to hire sales force nationwide and organize them in order to explore transactions with mom and pop stores. SoftBank Corp. has the experience of selling Yahoo! BB nationwide, thus has accumulated extensive knowhow.

Q. Will PayPay deal only with credit cards and e-money payments? Will it deal with payments through bank accounts?

A. We also intend to deal with bank accounts.

Q. What state do you aim to achieve before the launch of PayPay service?

A. We hope to acquire as many merchants as possible, both chain stores and mom and pop stores. We also hope to achieve the best possible usability for our users.

Q. Advertising-related revenue largely grew above expectations due to the favorable growth in paid-search advertising. Is there a change in the prospect of advertising-related revenue moving on?

A. We have revised the growth rate of full year advertising-related revenue from low single-digit to mid single-digit year on year. For 2Q, we expect a low 10% level growth for paid search advertising compared to the same quarter last year. However, we expect that the current weak growth of display advertising will continue.

Q. Currently, the growth rate of Yahoo Japan's advertising-related revenue is below that of the domestic Internet ad market. In order to become No.1 in market share, what kind of growth image do you envision for each advertising product?

A. We have the image of paid search advertising supporting the growth of display advertising. In display advertising, In-feed Advertising and Premium Advertising via smartphones is growing favorably, but the decrease in advertising revenue via PCs is affecting the sluggish growth. We need to increase the revenue growth in smartphone advertising while we contain the decrease in revenue via PCs.

Q. How do you intend to deal with logistics in the mid to long term?

A. We are aware that logistics is an important field from the viewpoints of enhancing service quality and resolving factors that could be bottlenecks in increasing our transaction value. All things are being considered including collaborations with our group companies including ASKUL Corporation and leading-edge logistics companies in which SoftBank Vision Fund invests.

Q. You explained that the take rate of Shopping-related advertising is 4 to 5%. Will you be able to improve profitability in the future by leveraging e-commerce data so that you can acquire advertising budgets from nation-wide advertisers?

A. We see a huge potential in this area. We are considering measures to display product ads of nation-wide advertisers in YAHUOKU!, Yahoo! Shopping and LOHACO utilizing e-commerce data. Furthermore, we think that we will be able to provide a more effective advertising product by using offline purchase data which we will acquire through mobile payment.

Q. Please explain the measure to refuel the growth of YAHUOKU! transaction value.

A. To the existing YAHUOKU! users, we will promote use by improving UI and the convenience of user experience. To the flea market users who are being newly excavated by our competitors, we will display items listed in YAHUOKU! also in Yahoo! Shopping so that users can purchase new and used goods seamlessly.

Q. How and in which service do you intend to increase the number of logged-in user IDs?

A. Commerce service is associated with purchase, thus users use this service basically in a logged-in state. Therefore, we think that the increase in Yahoo! Shopping users contribute to the increase in logged-in user IDs. In addition, we have increased the number of logged-in user IDs by providing a more convenient service to logged-in users in our Media service. For example, if users use Yahoo! Weather logged-in, they can receive more accurate and more personalized information.

Q. Please explain the business breakdown of expenditure for sales promotional activities in FY2018 1Q.

A. The composition has not greatly changed from before. Shopping business accounted for approximately 50%. The rest has been almost evenly divided by other businesses, but the proportion of Auction business was slightly high.

Q. For the full FY2018, you had expected a decrease in operating income of JPY 15.4 billion due to investment in human resource development and increase in facility-related expense, etc. In1Q, excluding the expenses for new challenges, SG&A has increased a total of JPY 13.3 billion (increase in SG&A associated with business growth: JPY 8.8 billion and investment in human resource development and service platform: JPY 4.5 billion). Does this mean that you have used JPY 13.3 billion out of the initially planned JPY 15.4 billion?

A. The SG&A expense that falls under JPY 15.4 billion is investment in human resource development and service platform of JPY 4.5 billion. Thus, it does not mean that we have used up most of the initially planned figure.

Q. What is the optimal shareholder structure for Yahoo Japan?

A. We think it is important that we maintain independence as a listed company. In the recent share buyback, the shareholding ratio of SoftBank Group has been maintained to be below 50%. At the same time, we were conscious of creating synergies with SoftBank Corp. as a business partner.