

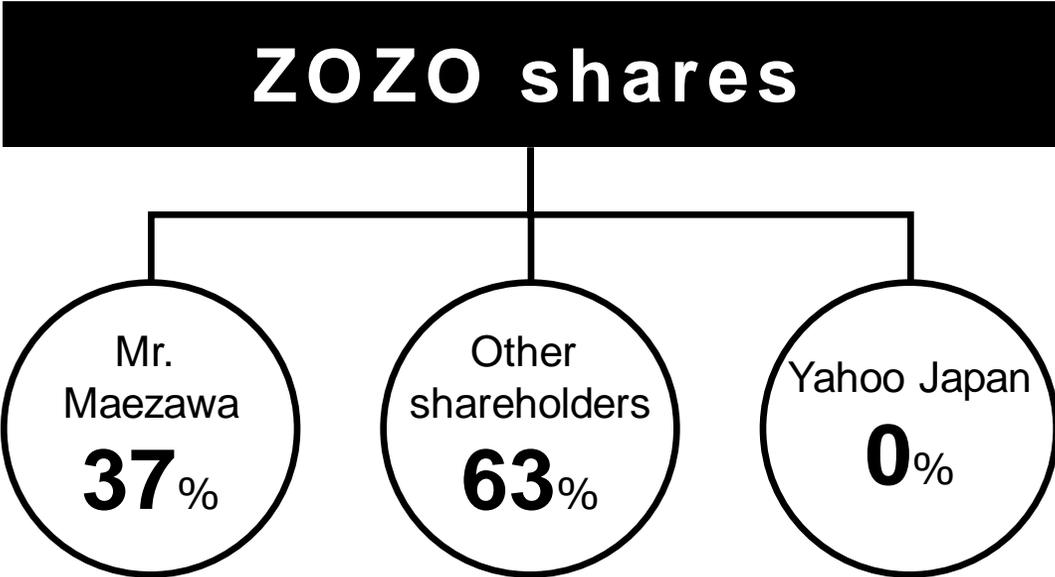
YAHOO!
JAPAN



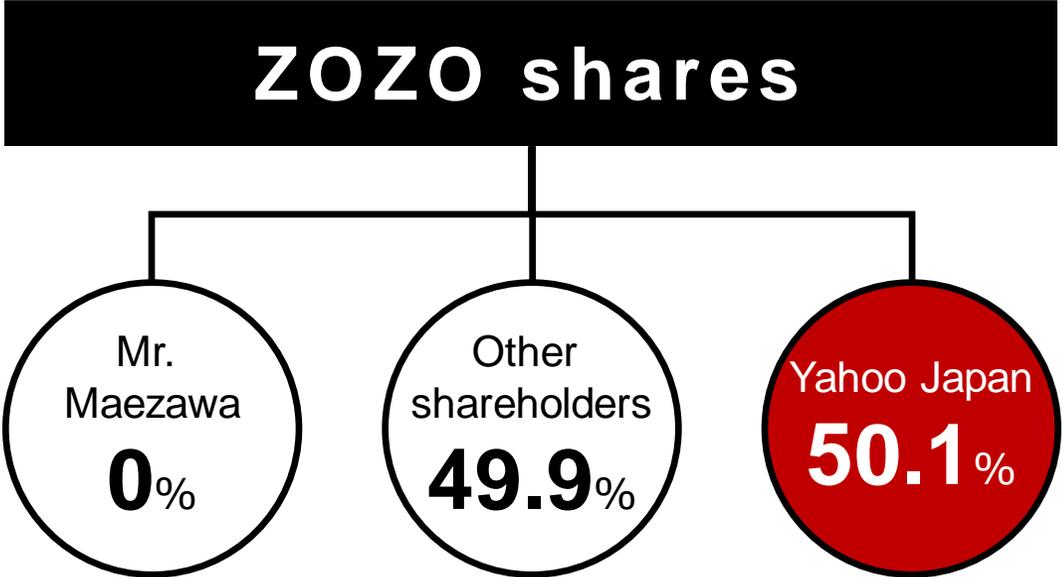
**Concluded business & capital alliance
agreement with ZOZO, Inc.**

Aim to acquire 50.1% of ZOZO shares by tender offer and consolidate ZOZO

< Now >



< Yahoo Japan's final image >

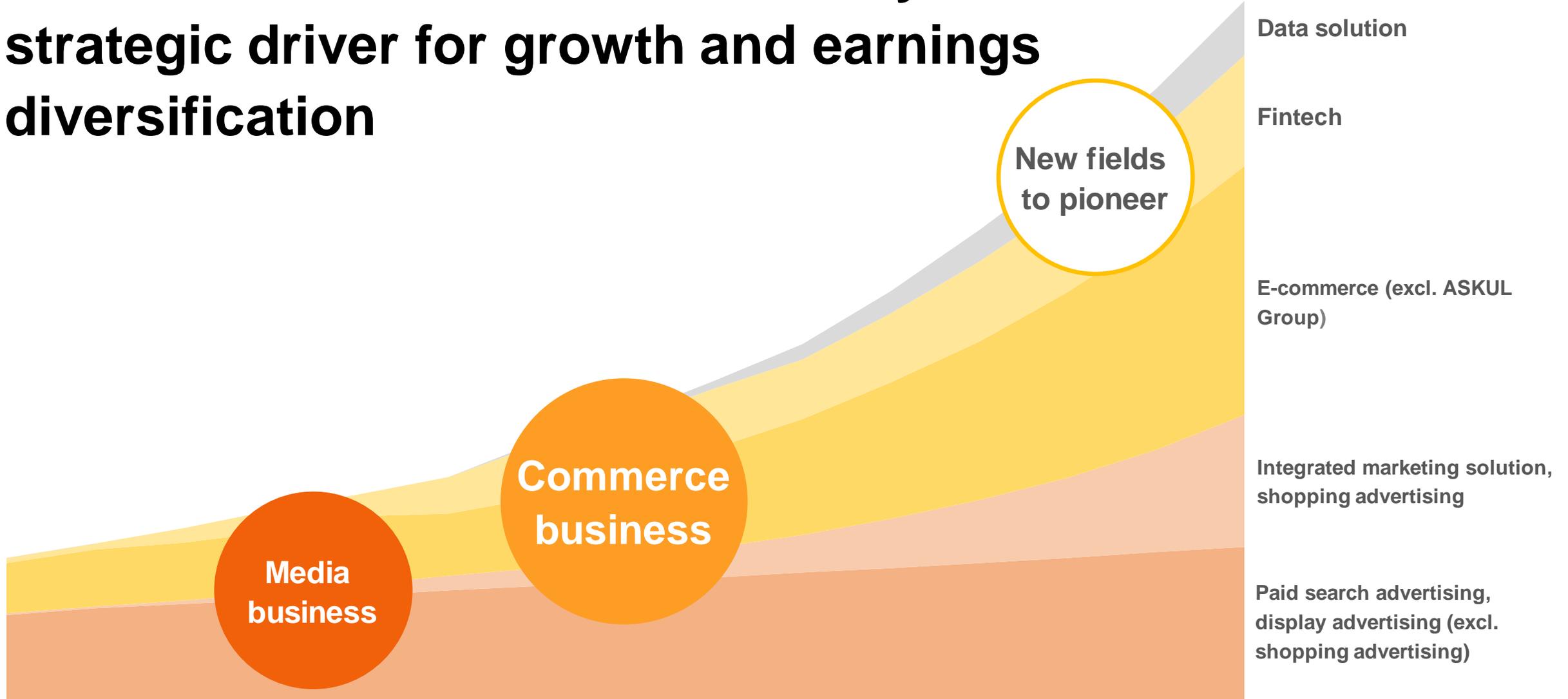


Amount of purchase : Approx. JPY 400 billion

※If amount purchased via tender offer does not reach 50.1%, Yahoo Japan's stake may not be 50.1%
※Stake after completion of transaction may not be as shown here if tender to the offer exceeds 50.1% and the purchase is prorated, or depending on the tender by Mr. Maezawa.
※TOB is scheduled to begin after we receive notification from the Fair Trade Commission of Japan that it will not issue cease and desist orders.

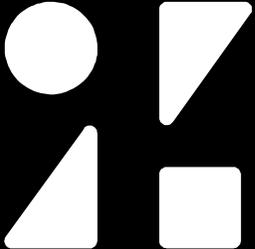
Growth Image by Segments

Commerce business will be the key strategic driver for growth and earnings diversification



4 key points

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 **ZOZO**



<Point 1>

**ZOZOTOWN's first
entry in an EC Mall**

**Launch
2019 Fall**

Premium shopping mall

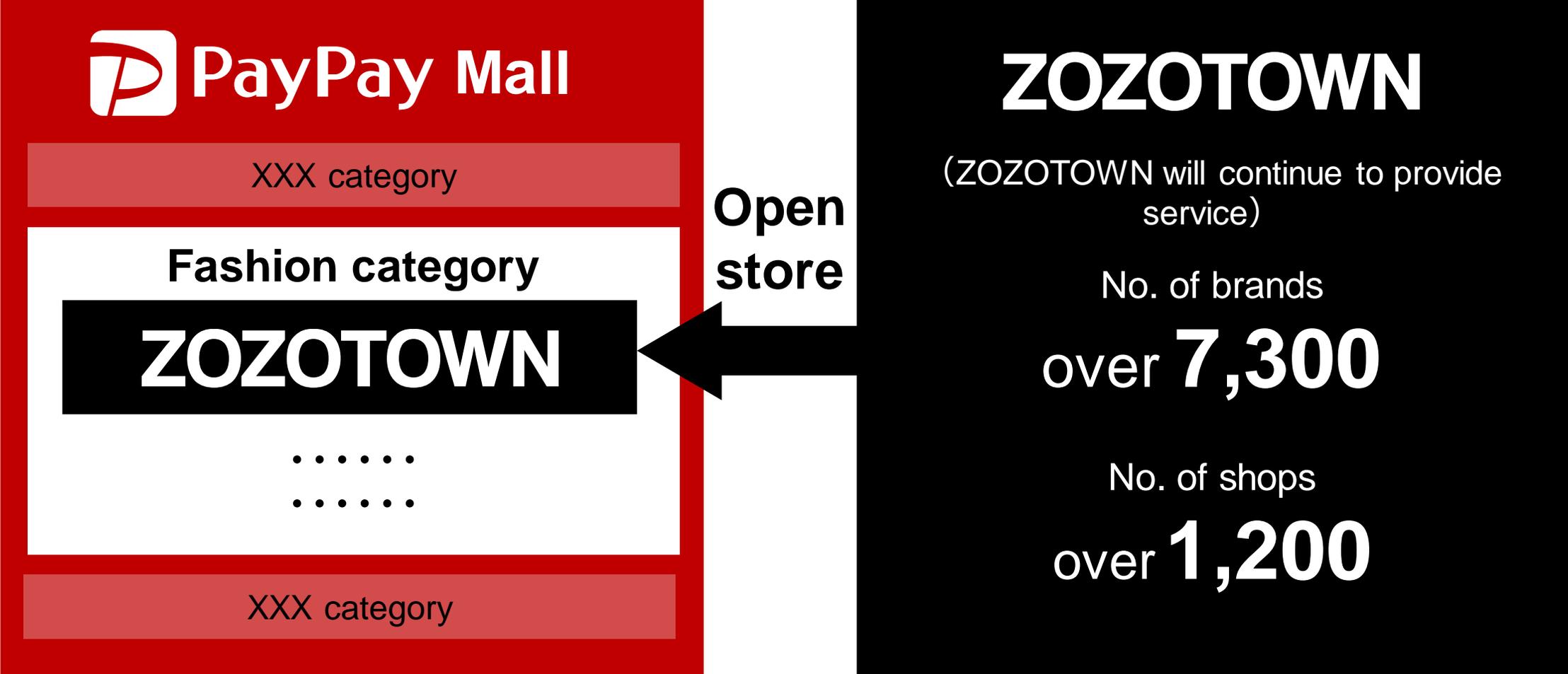
PayPay Mall



<Features>

1. Only for stores that meet our criteria for opening stores
2. UI/UX that match product category
3. Return/exchange allowed (Within 14 days from receiving product)
4. Inventory linked with brick and mortar stores
5. Also linked to Yahoo! Shopping

ZOZOTOWN will open its stores in PayPay Mall



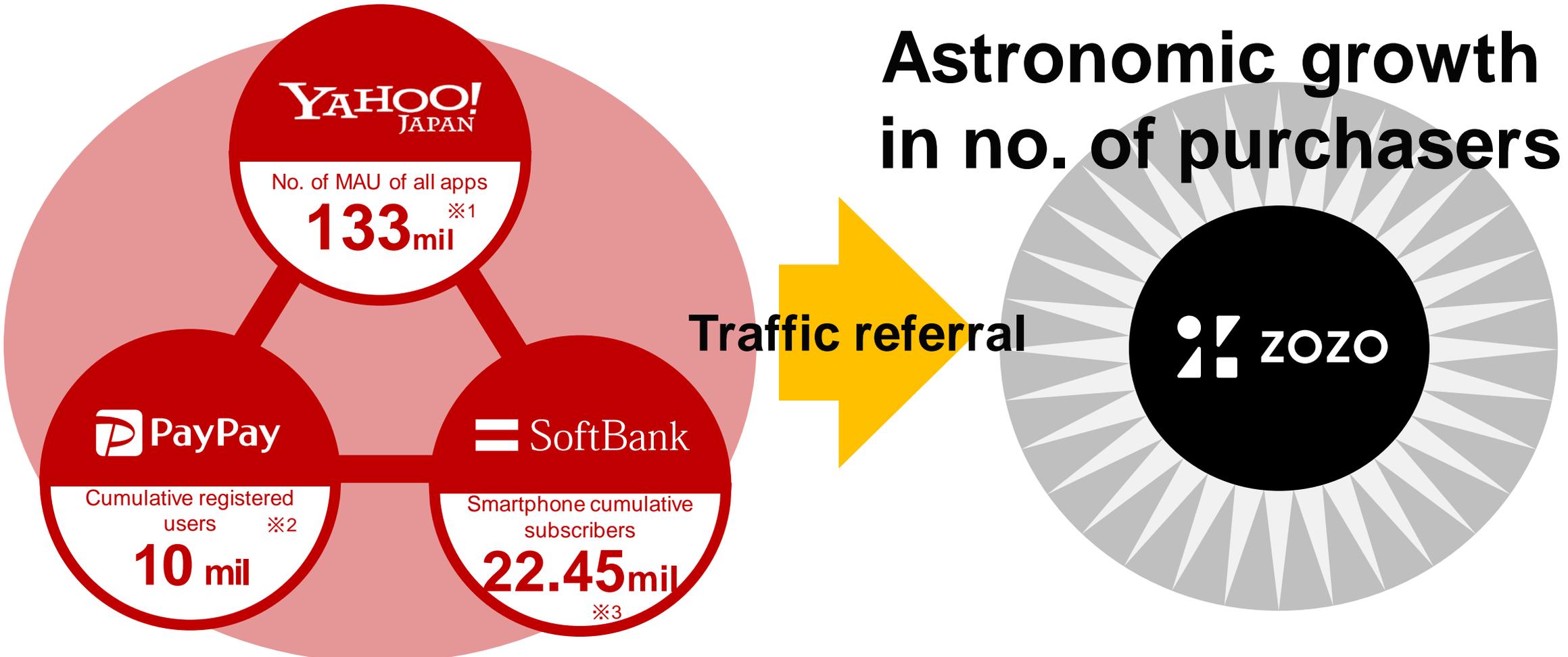
*Discussions and decisions will be made individually for each brand and shop



<Point 2>

No. of purchasers
Astronomic growth

Massive traffic referral from an information communications group that boasts one of the largest user base in Japan



Astronomic growth in no. of purchasers

Traffic referral

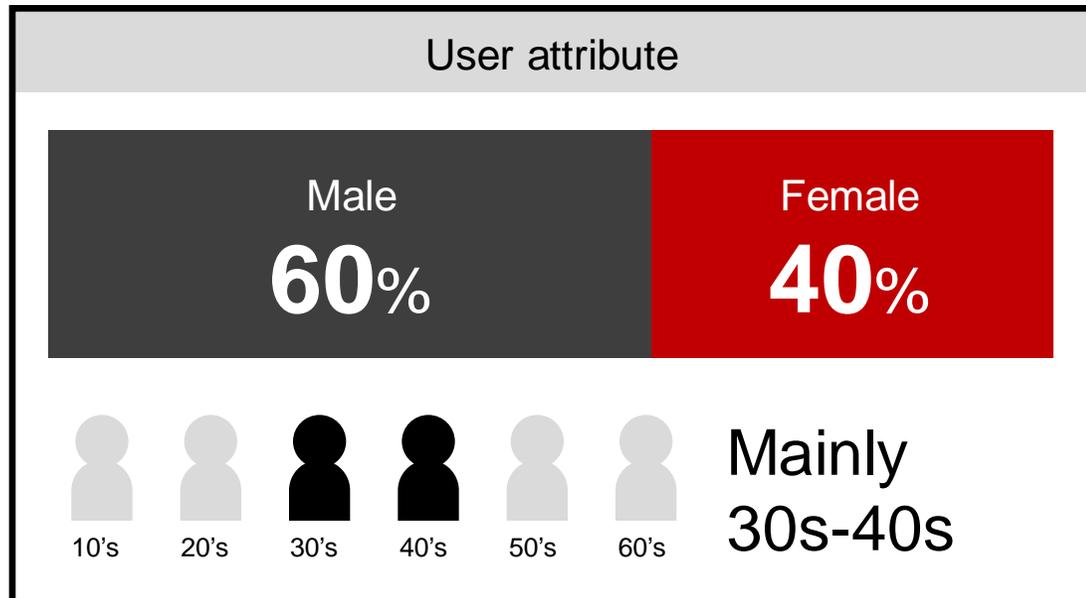


※1: FY2019 1Q Average; no. of users who browsed a smartphone app provided by Yahoo! JAPAN more than once in a month. Overlap in users who browsed multiple smartphone apps.
※2: As of August 7, 2019 ※3: As of end of FY2019-1Q

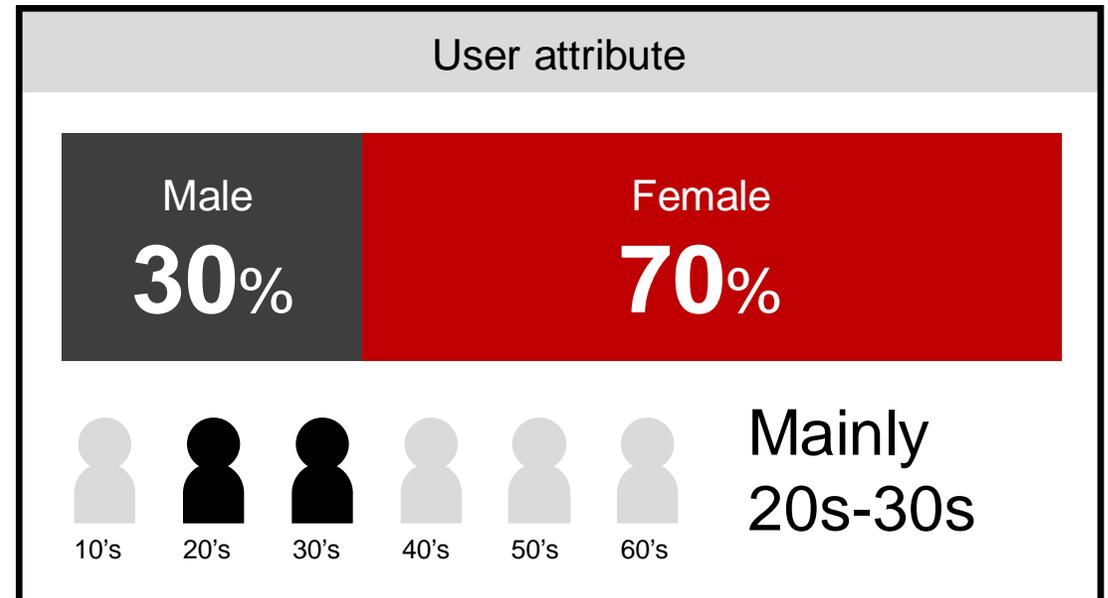
Different user attributes – Expansion in user base can be expected in both companies



No. of monthly logged-in user IDs:
49.01 million ※1



Annual number of buyers: 8.12 million ※2



<Point 3>

**EC transaction value
(sale of goods)**

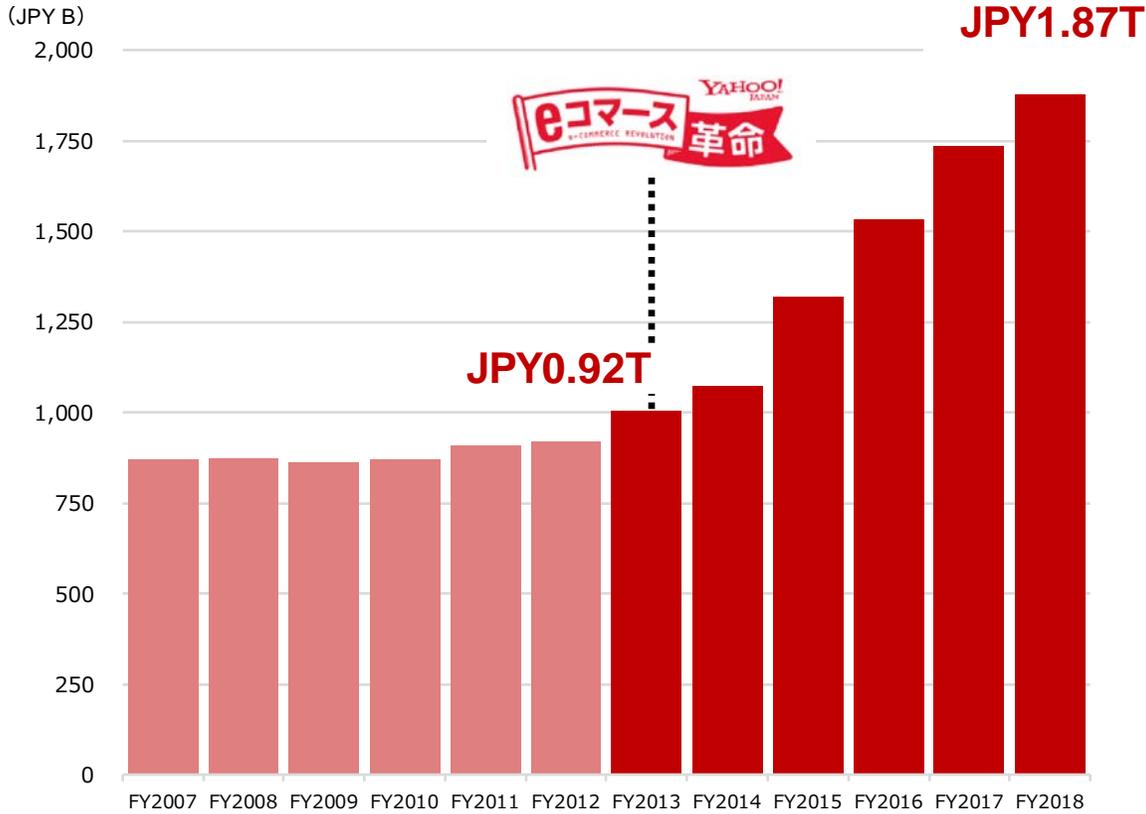
Astronomic growth

Both companies' growth exceeds market growth

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**Growing significantly
after EC revolution**

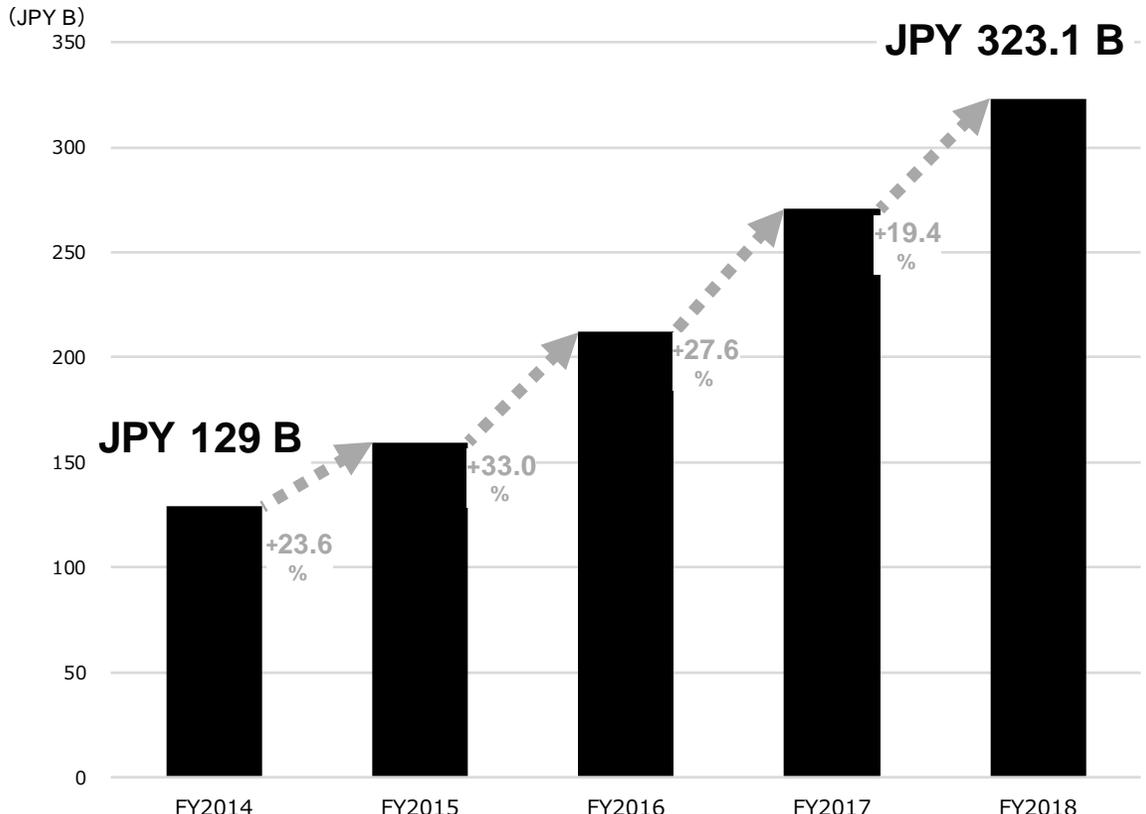
JPY1.87T (FY2018)



ZOZO

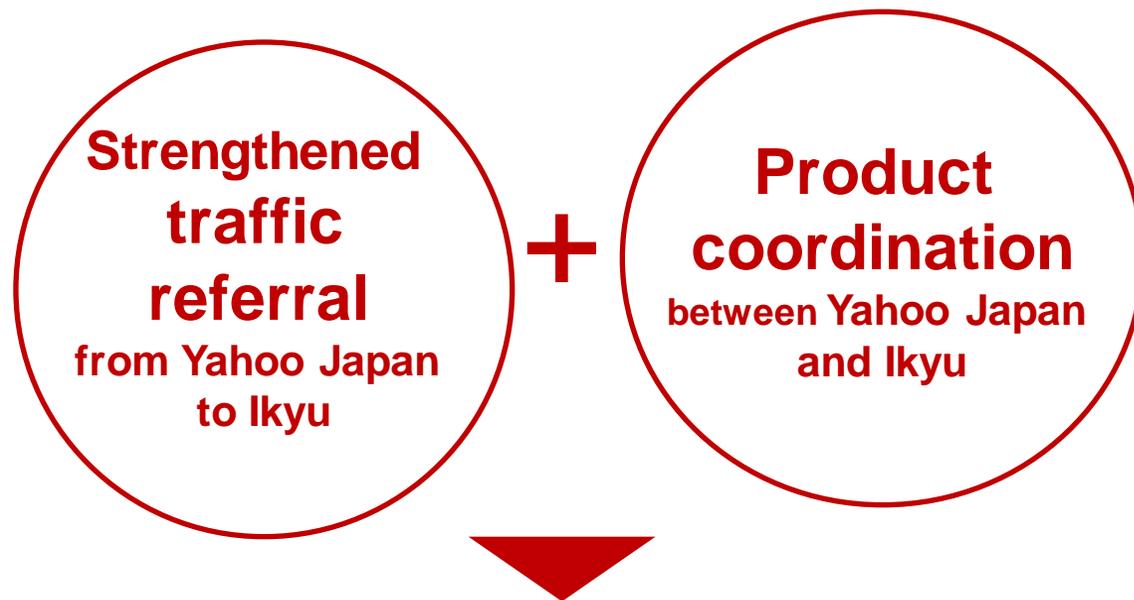
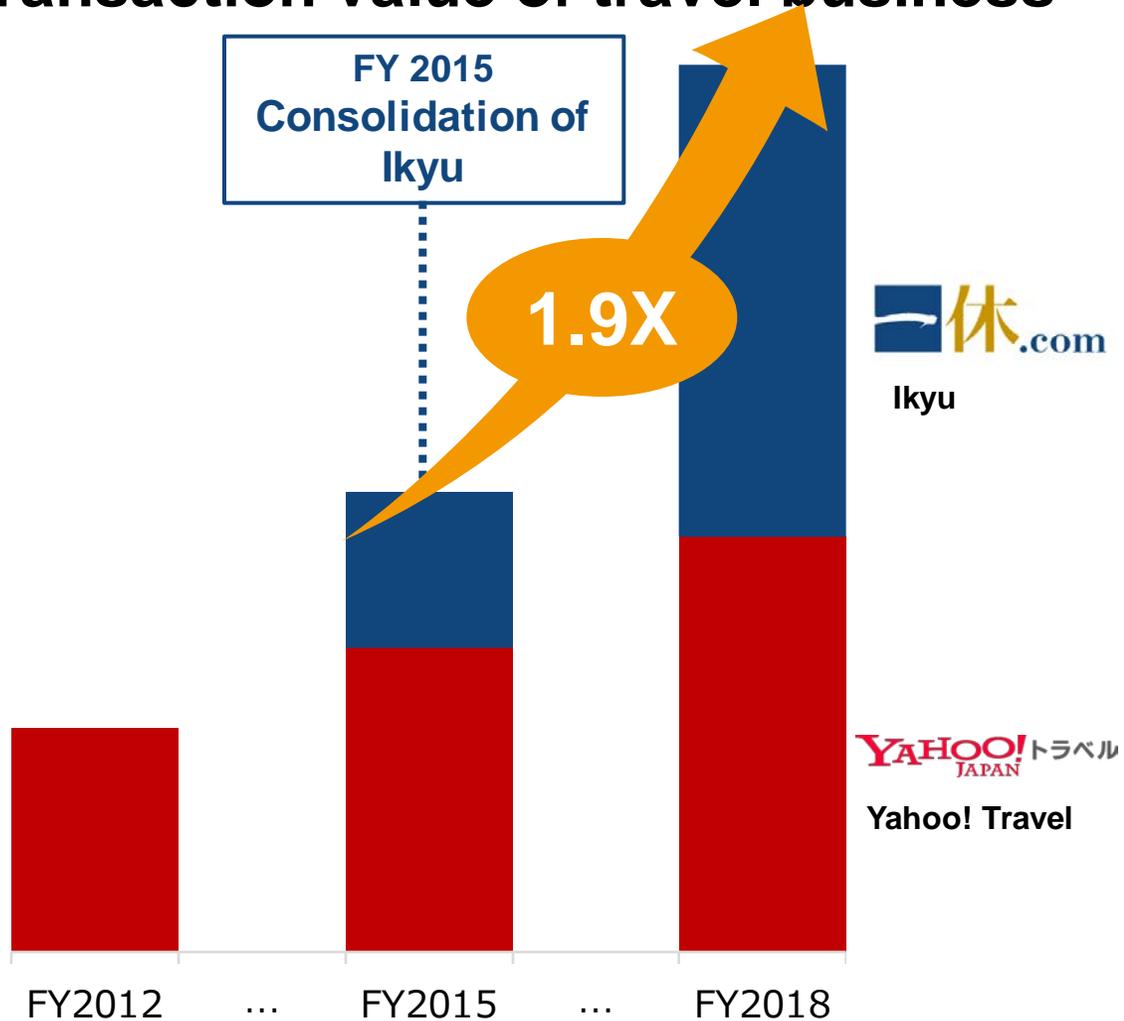
Over 20% CAGR

JPY323.1 B (FY2018)

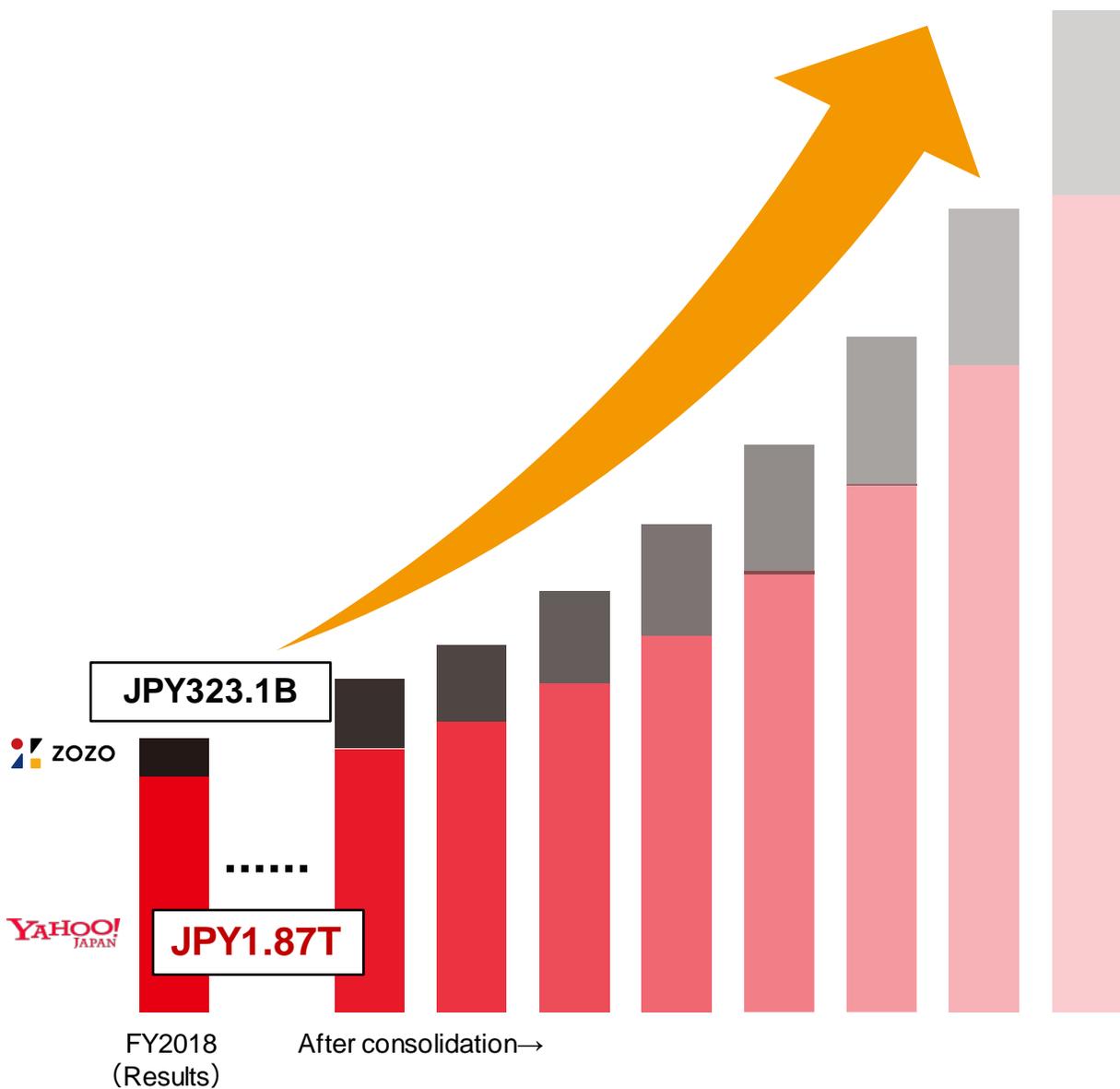


Best practice: synergy with Ikyu in travel business

Transaction value of travel business



No.1 in EC transaction value (sale of goods) within reach



By dynamically growing transaction value of both companies

No.1 in Japan by early 2020's

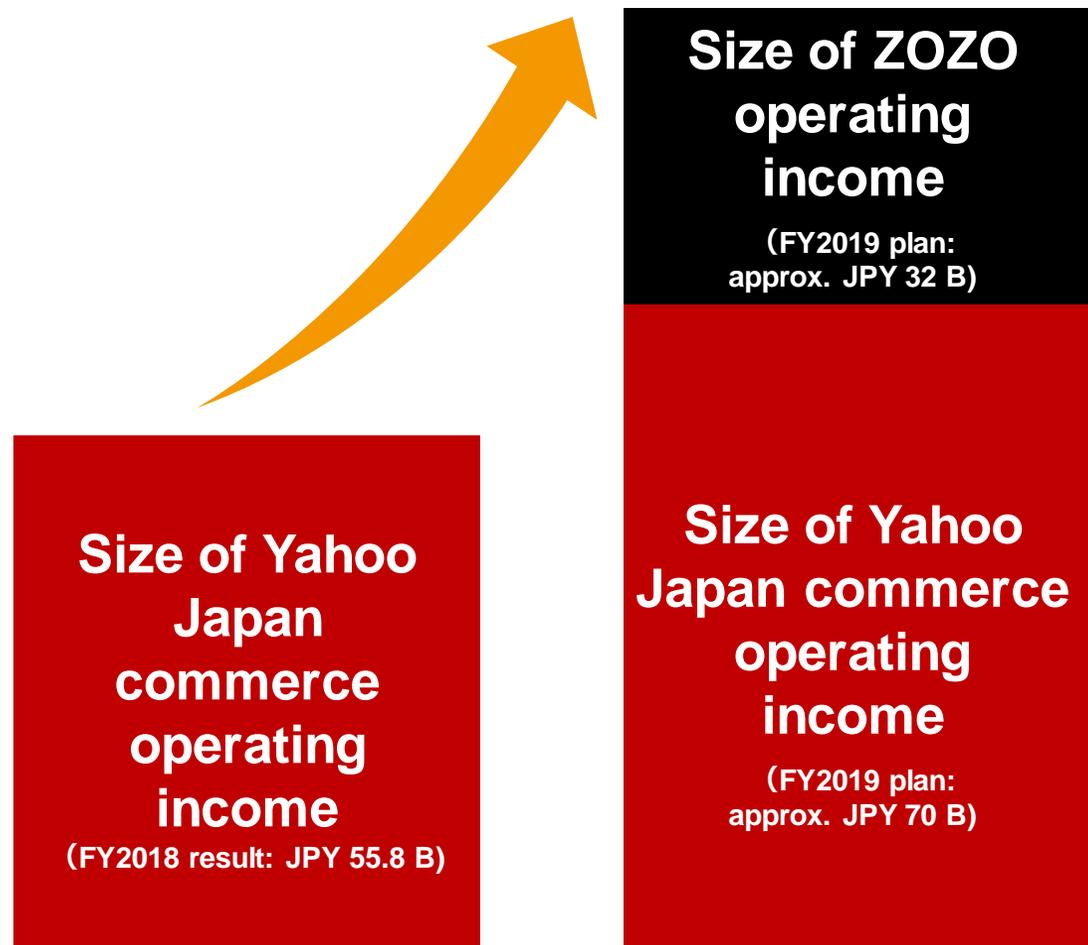
<Point 4>

**Commerce business
operating income**

Astronomic growth

Commerce business - future operating income

(Image of consolidating ZOZO's annual operating income after FY2020)



Size of operating income of commerce business will be:

1.8x

Media and commerce to be our 2 business pillars

Recap of 4 key points

 ZOZO

<Point 1>

**ZOZOTOWN's first
entry in an EC Mall**

 ZOZO

<Point 2>

**No. of purchasers
Astronomic growth**

 YAHOO!
JAPAN

<Point 3>

**EC transaction value
(sale of goods)
Astronomic growth**

 YAHOO!
JAPAN

<Point 4>

**Commerce business
operating income
Astronomic growth**

And of course

**PayPay in
ZOZOTOWN**

ZOZO & Yahoo Japan has many possibilities in creating synergies; considering collaborations in many other fields

**Collaboration in secondary distribution
business**

Collaboration in WEAR business

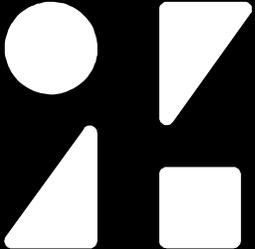
**Collaboration in fashion category
of Yahoo! Shopping business**

**Introduction of PayPay Bonus Lite in
ZOZO**

**Engineering assistance from Yahoo
Japan to ZOZO**

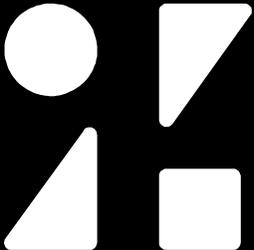
**Best partners
crucial for further growth**

YAHOO!
JAPAN

 **ZOZO**

YAHOO!
JAPAN

Making users' daily lives
astonishingly convenient

 **ZOZO**

Be unique. Be equal.



Creating a stylish and convenient future that can only be shaped by ZOZO and Yahoo Japan



YAHOO!
JAPAN

