

**Outline of Q&A Session at the Briefing Session for Sell-side Analysts and  
Institutional Investors Regarding the Company's Announcement  
(Held on September 12, 2019)**

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

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Q. What is the size of synergy effect included in the purchase price and when do you expect this effect to be demonstrated?

A. The overall valuation is JPY 800 billion and was basically calculated as stand-alone valuation. It also takes into account the fact that the share price is relatively low at the moment. Synergy effects can be expected mainly in i) expansion of fashion category in PayPay Mall, and ii) traffic referral from media service (including search). We expect the effects to materialize from the next fiscal year onwards.

Q. What kind of initiatives will you conduct to demonstrate the synergy effects?

A. We expect a substantial number of traffic referrals as a result of ZOZOTOWN becoming a merchant in PayPay Mall. We will also refer traffic from Yahoo! JAPAN services to ZOZO's services. We have not decided on the timing yet, but we want to do this as soon possible. In addition, some merchants of Yahoo! Shopping face difficulties in logistics, so we think that they may be able to use the logistics of ZOZO, Inc. in the future.

Q. I believe that the effect of sending traffic from Yahoo! JAPAN Top Page alone will be limited. Do you have any other measures in place so that you can refer a larger traffic?

A. We will have a structure so that traffic referral will not only be from the Top Page, but also from various services.

Q. Are you also considering tie-ups in backend systems, ads, logistics, etc.?

A. We believe that we will be able to enhance efficiency by utilizing the logistic system of ZOZO Inc., including ZOZOBASE in Yahoo! Shopping. We may be able to send goods in the same package, and we hope to share the parts in which we excel such as systems of recommendations and personalization. Also, with the consent of the users, we hope to utilize

the data of both companies. We can also consider introducing in-house payments, sharing loyalty programs, thus, we expect synergy effects in all fronts.

Q. The user attributes of the two companies are complementary. Do you have any specific plans on linking the IDs of both companies?

A. We have linked IDs between the two companies in the past, so this is technically possible. We have not discussed using ID linkage to the advertising business yet, but think that there is potential in this field.

Q. Will you collaborate in the secondary distribution market?

A. ZOZO has ZOZOUSUED for purchase and sales, and we have YAHUOKU! and PayPay Flea Market. Further discussions will be made on the specific measures, but we think that the apparel market targeting male and female in their 20's is a field we are weak in, and that we should take this opportunity to capture this market.

Q. Will you collaborate with WEAR, a service of ZOZO, Inc.?

A. We hope that the users of WEAR, who are 20's to early 30's, will purchase non-fashion goods, while we refer Yahoo! JAPAN's users to WEAR. SNS-like factor will become important in EC services in the future. This is a component that we did not have, so we would like to consider active use of such factor.

Q. You will be in the position to be able to use the logistics centers of both ZOZO, Inc. and ASKUL Corporation. What size of facility do you think is necessary in the future?

A. This will depend on the transaction value of the fashion field and the capacity available in ZOZOBASE. We hear that the logistics center of ASKUL Corporation already has no spare capacity. Overall, it is still insufficient, but we have not decided whether Yahoo Japan Corporation will make investments in this. We hope to look for solutions within the SoftBank Group.

Q. What will be the future payment system for ZOZOTOWN? Will you also provide "tsukebarai (deferred payment)" in-house within the Yahoo Japan Group?

A. PayPay is scheduled to be introduced, but we cannot make PayPay the only option for payment. We do not have a clear policy on the future of the existing payment service in ZOZO, Inc., including policy on "tsukebarai (deferred payment)". Ultimately, this will be something for ZOZO, Inc. to decide.

Q. Will you introduce “tsukebarai (deferred payment)” of ZOZO, Inc. to PayPay?

A. “Tsukebarai (deferred payment)” is very effective. We would like this also implemented in PayPay.

Q. I think that accumulation of know-how is important to introduce “tsukebarai (deferred payment)” in PayPay Mall. How long do you think it will take for it to become successful?

A. We already have know-how thanks to credit assessment for Yahoo! JAPAN Card and for loans in The Japan Net Bank. The problem is more on when we will launch on system development. We are already considering introducing pay-later system in PayPay.

Q. You have been successful in increasing the number of Yahoo! Premium members as a result of collaborations with SoftBank Corp. Can you expect a similar collaboration effect?

A. We have no specific discussions on collaborations in the subscription service yet, but we think this can be considered in the future.

Q. How do you intend to go ahead with the collaboration with ZOZO, Inc.? Do you expect any changes in corporate culture after the resignation of Mr. Maezawa?

A. ZOZO, Inc. will stay listed, and Mr. Sawada from ZOZO, Inc. will be the new CEO. It is important that ZOZO, Inc. manages itself independently. Therefore, we will respect the corporate culture of ZOZO, Inc. and its style, while we support its independent decision-making. As we have sent directors when we acquired Ikyu Corporation, we will send several personnel at the director/corporate officer level in order to exert synergy effects. For practical matters such as systems, we will pursue them without being partial.

Q. What measures do you have in place to retain the key persons of ZOZO, Inc. after the resignation of Mr. Maezawa?

A. This will be done by ZOZO, Inc. We have interviewed key persons beforehand and are trying to make a good environment listening also to Mr. Maezawa’s views. We are not considering to place our own governance structure in ZOZO, Inc. We have interviewed major executives and have found out that although they have strong faith in Mr. Maezawa, they are also attracted to the business itself and have the goal of invigorating ZOZO, Inc. We do not have concerns because they are motivated to move on at their discretion.

Q: Who will bear the cost of sales promotion, etc., Yahoo Japan Corporation or ZOZO, Inc.?

A: We can think of ways such as revenue sharing, etc. However, we are both independent listed companies so we will have an agreement within the arm’s length principle.

For example, when ZOZO becomes a merchant in PayPay Mall and Yahoo Japan Corporation conducts sales promotions as a platform, then Yahoo Japan Corporation will bear the cost. If ZOZO, Inc. conducts sales promotion in Yahoo! JAPAN services, then ZOZO, Inc. will bear the cost.

Q. Out of the expense that will arise as a result of the alliance with Yahoo Japan Corporation, how much will ZOZO, Inc. shoulder?

A. It depends on the collaboration. The system renewal expense for becoming a merchant in PayPay Mall is expected to be small even if it becomes necessary. There will be a reasonable cost involved if we will share the recommendation engine, but we do not plan to do so at this moment.

Q. Mr. Maezawa seems to retain a 6% stake, but the presentation material in the press conference says 0% for his stake in “Yahoo Japan’s final image”. What does this mean?

A. Depending on how the tender goes, this may be prorated.

Q. Is it possible that Mr. Maezawa will sell all of the shares he possesses?

A. That is possible.

Q. What funding method do you have in mind for approx. JPY 400 billion?

A. We plan to procure approx. JPY 330 – 400 billion by bridge loans from banks, and the rest we will use our cash at hand. It may seem financially difficult, however, as announced by R&I and JCR, our rating remains unchanged. We hope to improve our financial structure by lifting the synergy effects.

Q. In terms of future additional investments including M&A, to what extent do you intend to increase debts?

A. Additional debt will be considered in line with our rating. It will be difficult to do another M&A of this size. In the press conference, we said that we will actively consider M&A, but we do not intend to pursue impossible M&As. We will consider the financial aspects.

Q. Will the dividend payment remain unchanged as a result of this capital alliance? Also, how should we think when there is a large-scale M&A in the future?

A. This time the funding is mainly through debts. Thus, we do not plan to change our dividend payment at this point in time. We do not know about the future.

Q. Looking back on the past M&As, the one with ASKUL Corporation is not demonstrating synergy effects. The one with Ikyu Corporation seems to be successful but we do not know the actual state. Your track record of M&A is not so bright, but can we expect better in the future?

A. We do not disclose the details of Ikyu Corporation, but its transaction value has doubled since the M&A and maintains a YoY growth rate of +25-30% even now. The number of card holders of Yahoo! JAPAN Card is steadily growing as a result of coordination with our commerce service. We hope to be able to meet the expectations of the shareholders also for this capital alliance.