



Yahoo Japan Corporation

FY2016-1Q Business Results

(April - June 2016)

July 28, 2016

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Statements made at the meeting or included in the documents that are not historical facts are forward-looking statements about the future performance of Yahoo Japan Corporation and its consolidated subsidiaries and affiliates.

The Company cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

Such factors include, but are not limited to, the items mentioned in “Risk Factors” in “Results for the Three Months Ended June 30, 2016.” The unauthorized use of the information or the data in this document is not permitted.

FY2016-1Q

Financial Highlights

Executive Summary for FY2016-1Q



Revenue	204.2 (¥B)	YoY +84.7%	
Operating income	50.8 (¥B)	YoY +3.5%	
EBITDA	59.9 (¥B)	YoY +9.5%	
Net income attributable to owners of the parent	35.5 (¥B)	YoY +6.4%	
Diluted EPS	¥6.2	YoY +6.4%	
Advertising-related revenue	65.3 (¥B)	YoY +3.3%	Via smartphones 47.2%
Display advertising	33.1 (¥B)	YoY +22.2%	
Paid search advertising	32.2 (¥B)	YoY -10.9%	
Total domestic e-commerce transaction value (*1)	430.0 (¥B)	YoY +38.2%	Via smartphones ^(*2) 40.1%
ASKUL Corporation's BtoB-related revenue (transaction value) via Internet	54.1 (¥B)		

*1 Includes Shopping-related and Auction-related transaction values, and ASKUL's non-consolidated BtoB-related revenue (transaction value; closing date: 20th of every month) via Internet. Shopping-related transaction value includes revenue (transaction value; closing date: 20th of every month) of LOHACO business, operated by ASKUL, and Ikyu Corporation's transaction value.

*2 Proportion of transaction values via smartphones in Shopping-related business and Auction-related business.

Advertising-Related Business

-Growth of display advertising drove the revenue growth of overall advertising business.

e-Commerce-Related Business

-e-Commerce-related revenue increased dramatically as a result of the consolidation of ASKUL.

-Shopping-related transaction value (*1) maintained a high growth rate.

-Shopping-related advertising revenue increased remarkably.

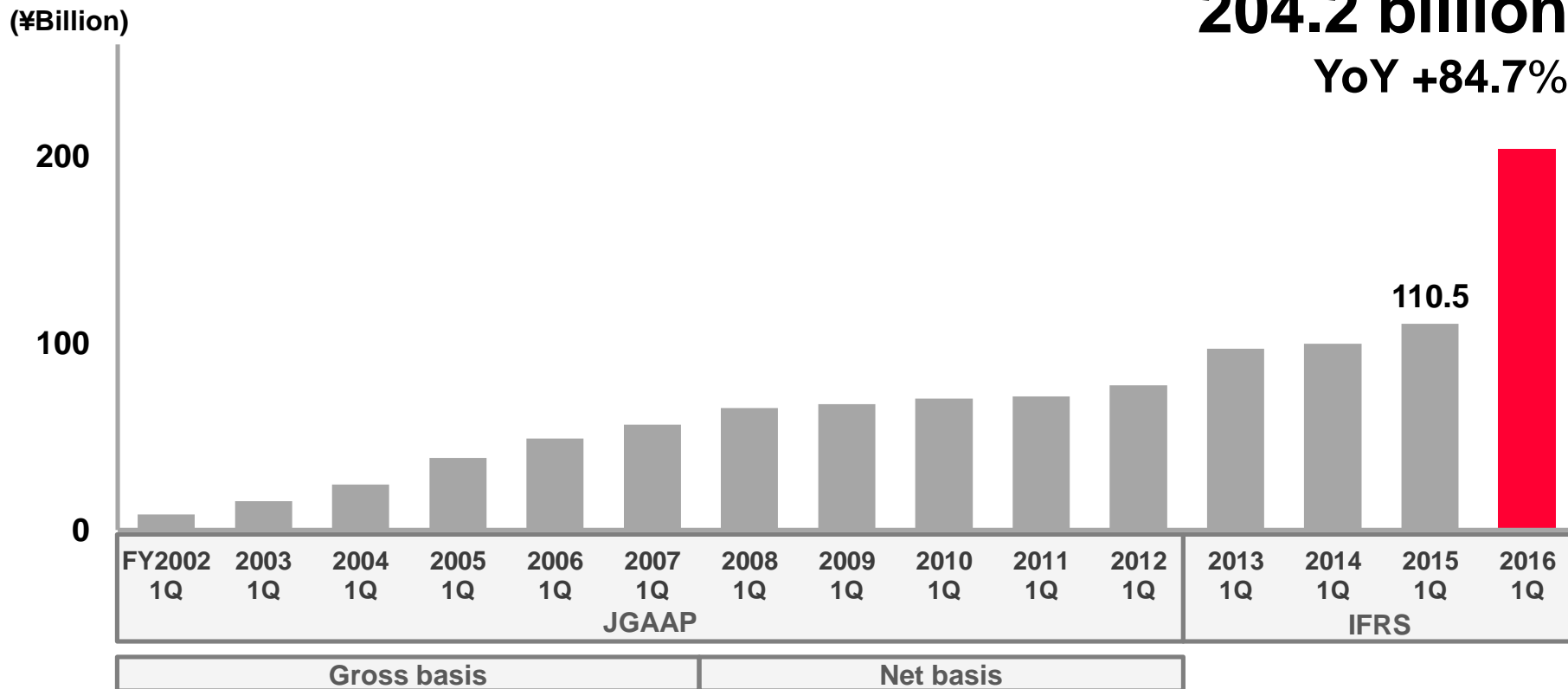
Credit Card Business

-Transaction value of credit card business (*2) increased dramatically.

*1 Includes transaction values of Yahoo! Shopping and LOHACO. LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.

*2 Excludes cash advance service.

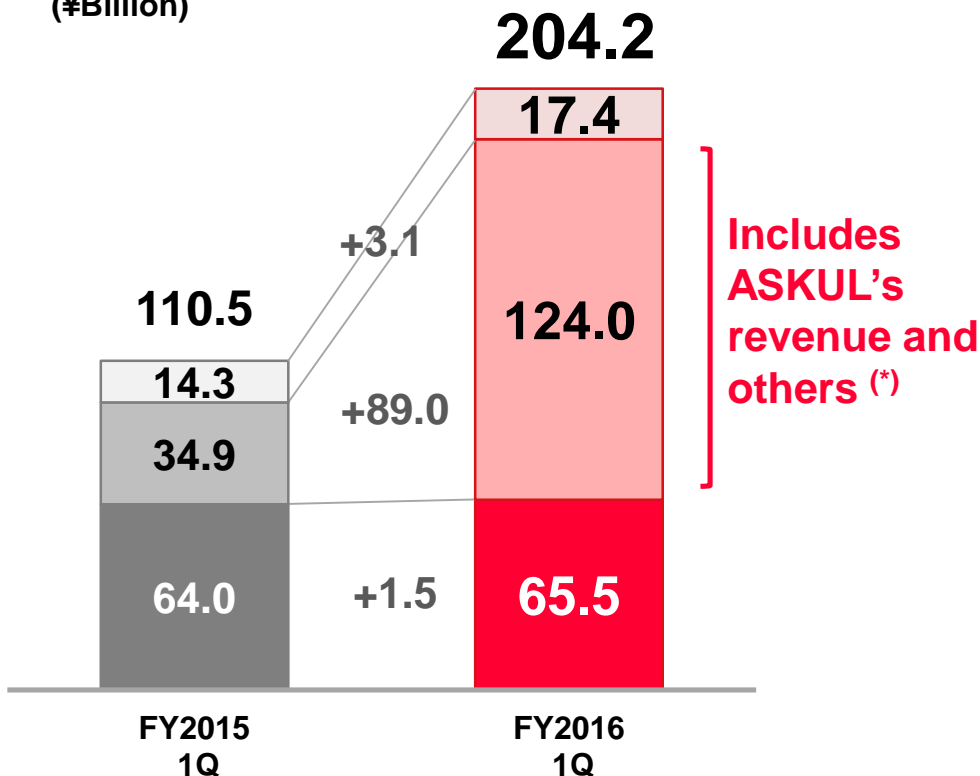
Revenue



Note: Between FY2008 and FY2012, we indicated revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A.

Quarterly Revenue Breakdown

(¥Billion)



Marketing Solutions Business	YoY +2.4% Growth in display advertising revenue
Consumer Business (*)	YoY 3.5 x Consolidation of ASKUL Corporation
Other Businesses	YoY +21.6% Growth in payment-related business revenue

Note1: Figures for adjustments are not shown.

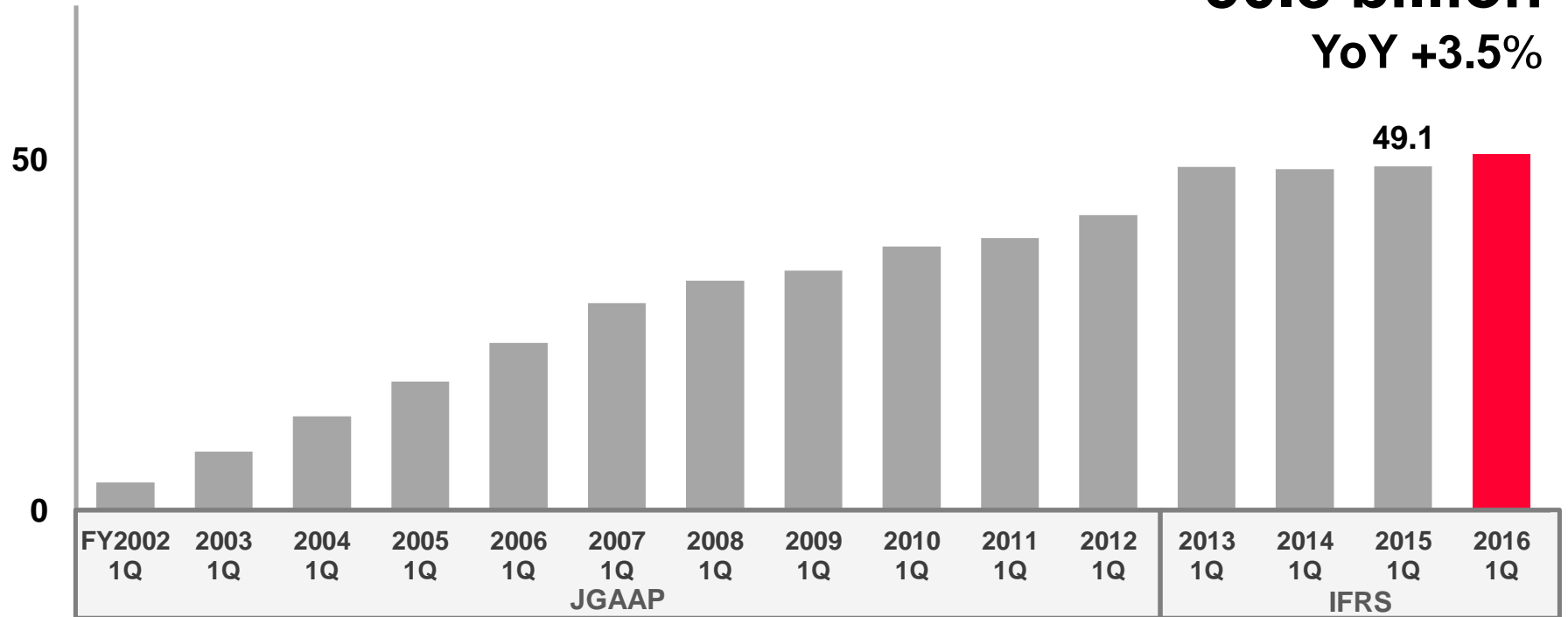
Note2: In cases where major services have been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

* Includes ASKUL's revenue of ¥81.8 billion (revenue after the elimination of internal transactions within ASKUL group), and Ikyu's revenue.

Operating Income

(¥Billion)

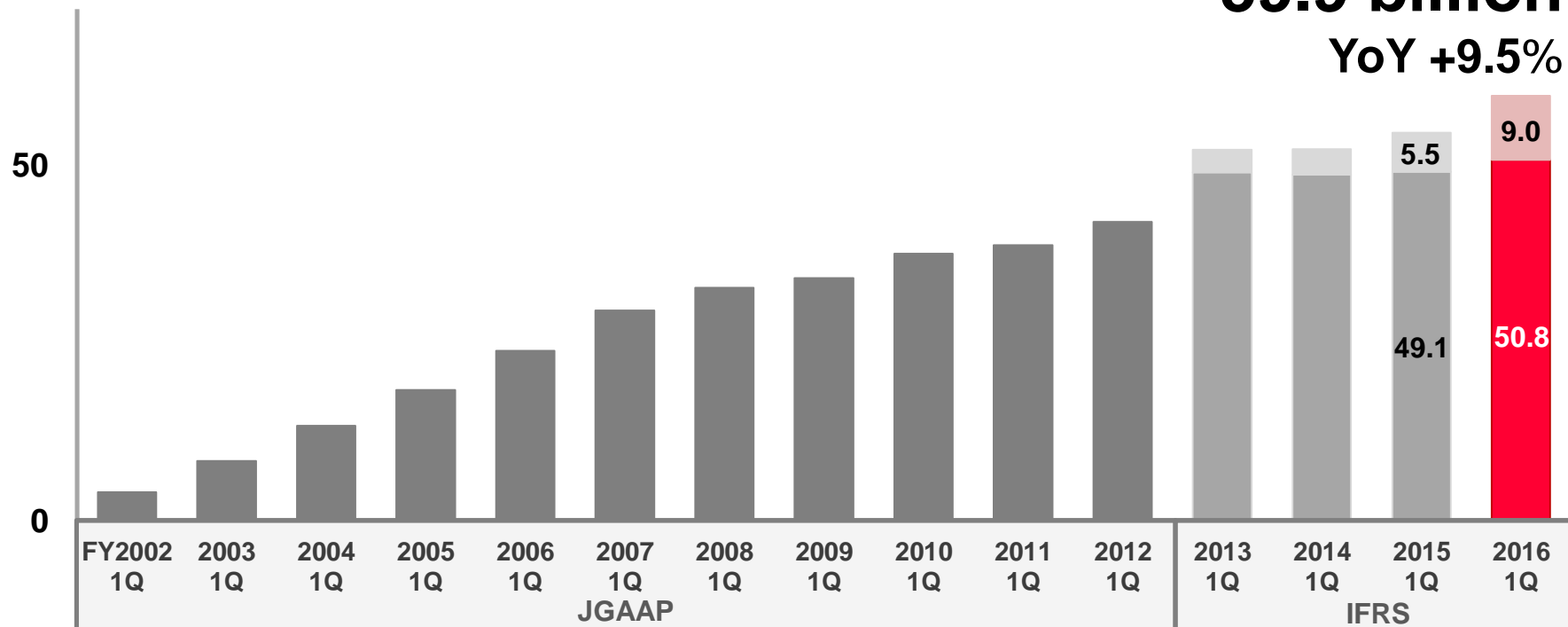
50.8 billion
YoY +3.5%



EBITDA(*)

(¥Billion)

59.9 billion
YoY +9.5%



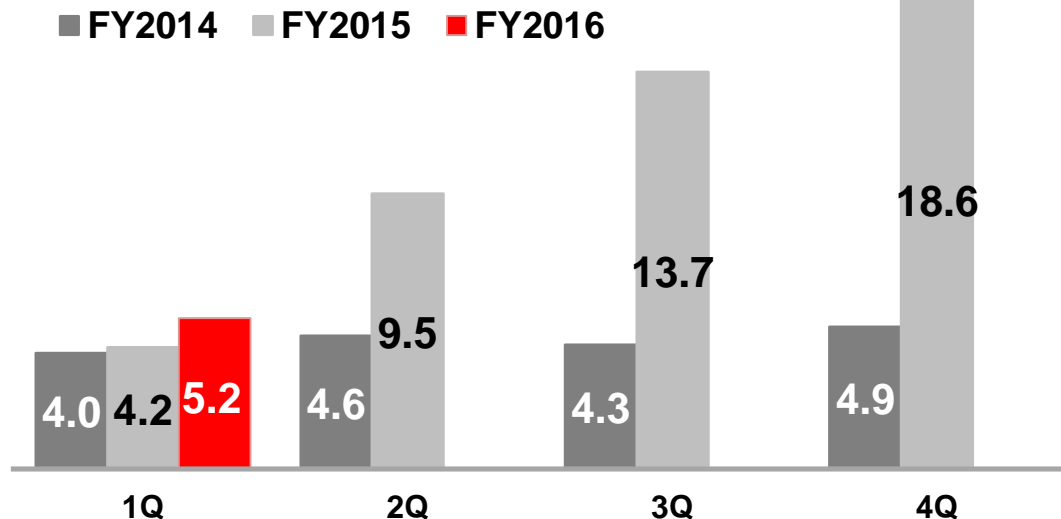
Note: Figures before FY2012 are those of operating income under JGAAP.

*EBITDA = operating income (loss) + depreciation and amortization

Sales Promotional Activities

Focused on cost-effective promotional activities and succeeded in controlling the promotion cost.

(¥Billion)



Breakdown of sales promotion costs (*1)

Shopping	50%
YAHUOKU!	20%
Financial & Payment	20%
Video services, etc. (*2)	10%

*1: Total of sales promotion costs, and advertising and promotional expenses, excluding the impact from the consolidation of ASKUL and Ikyu.

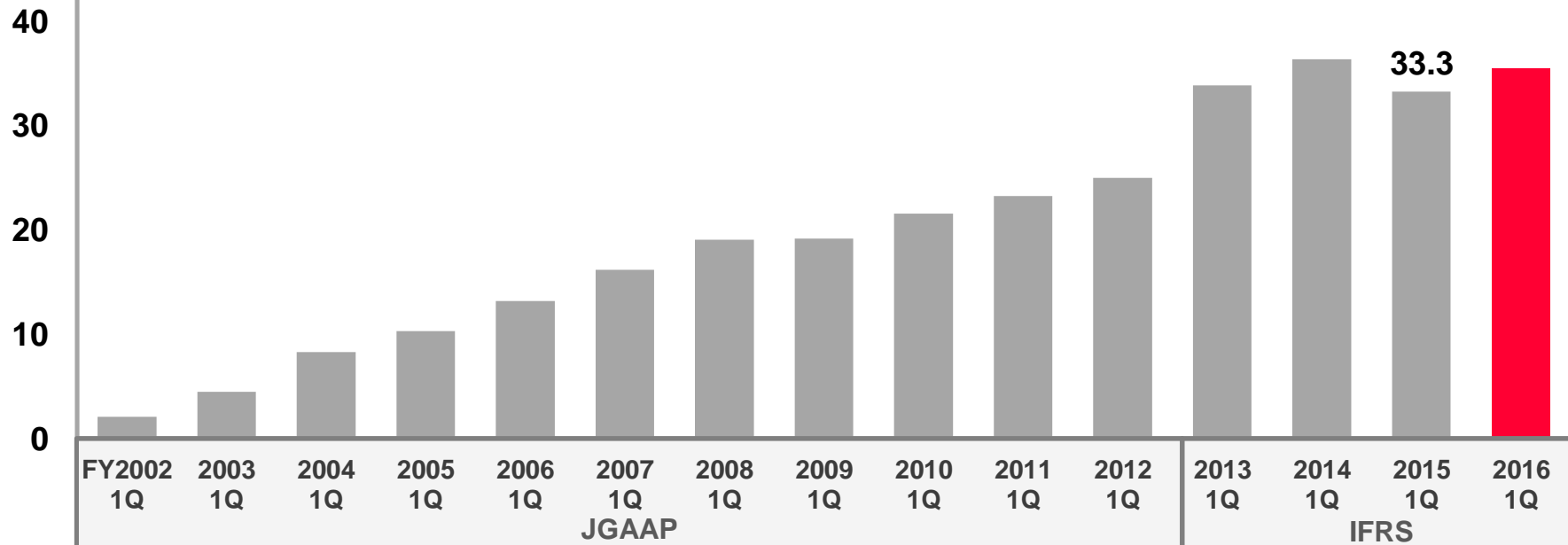
*2: Includes promotion costs for video services and others.

Net Income Attributable to the Owners of the Parent



(¥Billion)

35.5 billion
YoY +6.4%



* Figures of FY2014-1Q includes gains of ¥8.7 billion, comprising of gain from remeasurement due to the step acquisition of the shares of The Japan Net Bank, Limited and gains on negative goodwill of The Japan Net Bank, Limited and BOOKOFF CORPORATION LIMITED.

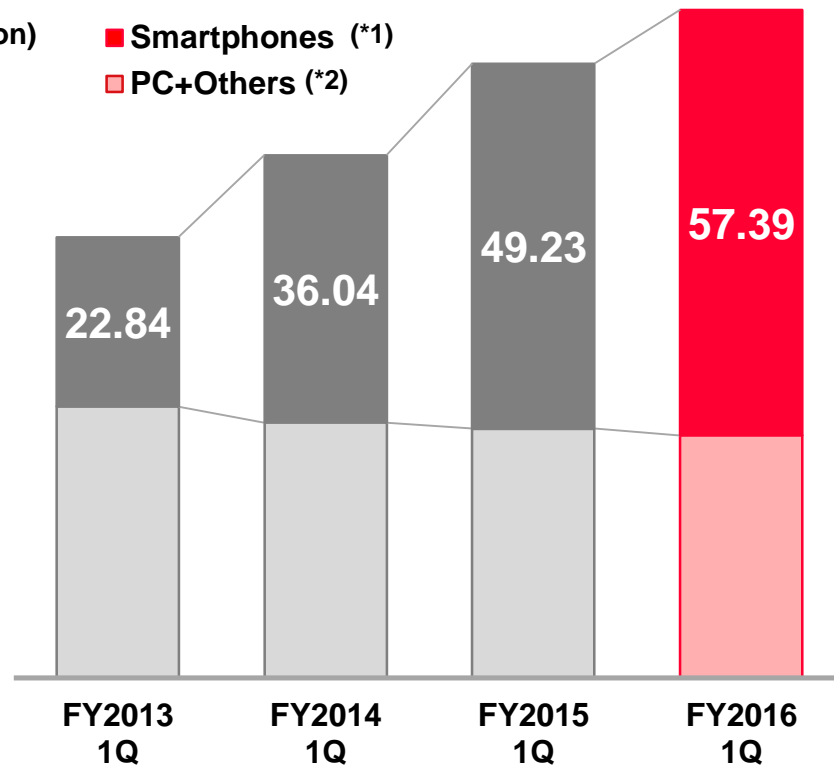
Usage Trend of Services

Daily Unique Browsers

Usage via smartphones
63.7%
of total usage

(Million)

■ Smartphones (*1)
■ PC+Others (*2)



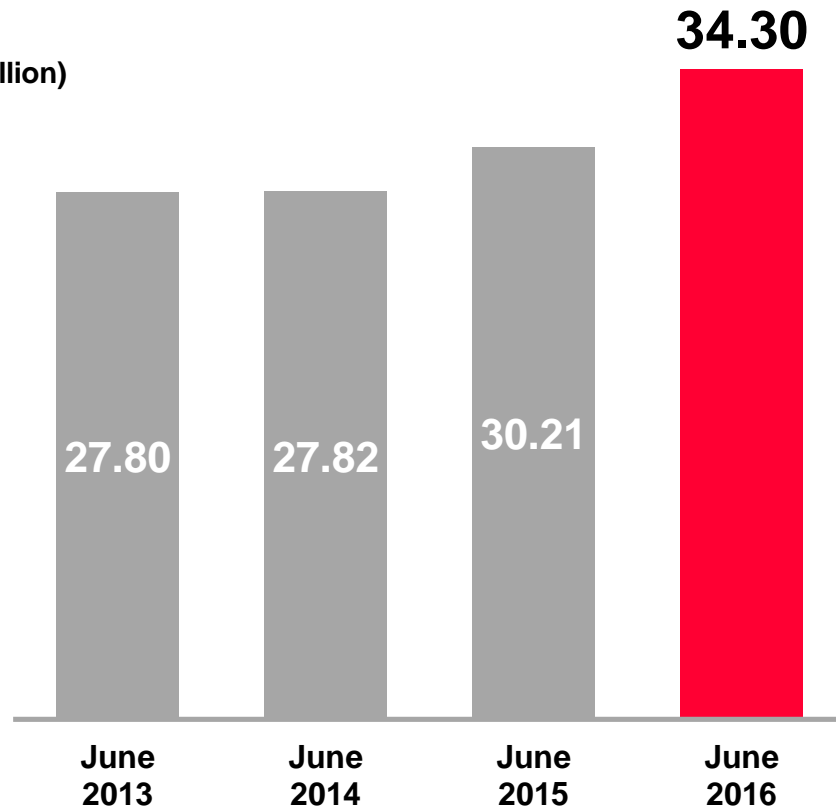
*1 Quarterly average; includes accesses to Yahoo! JAPAN via applications and browsers. Access via applications and access via browsers are counted separately, even if there is an overlap in users.

*2 Quarterly average; includes PCs, tablets and feature phones.

Number of Monthly Active User IDs

**Exceeded
34 million**
through an aggressive
promotion of logged-in usage

(Million)



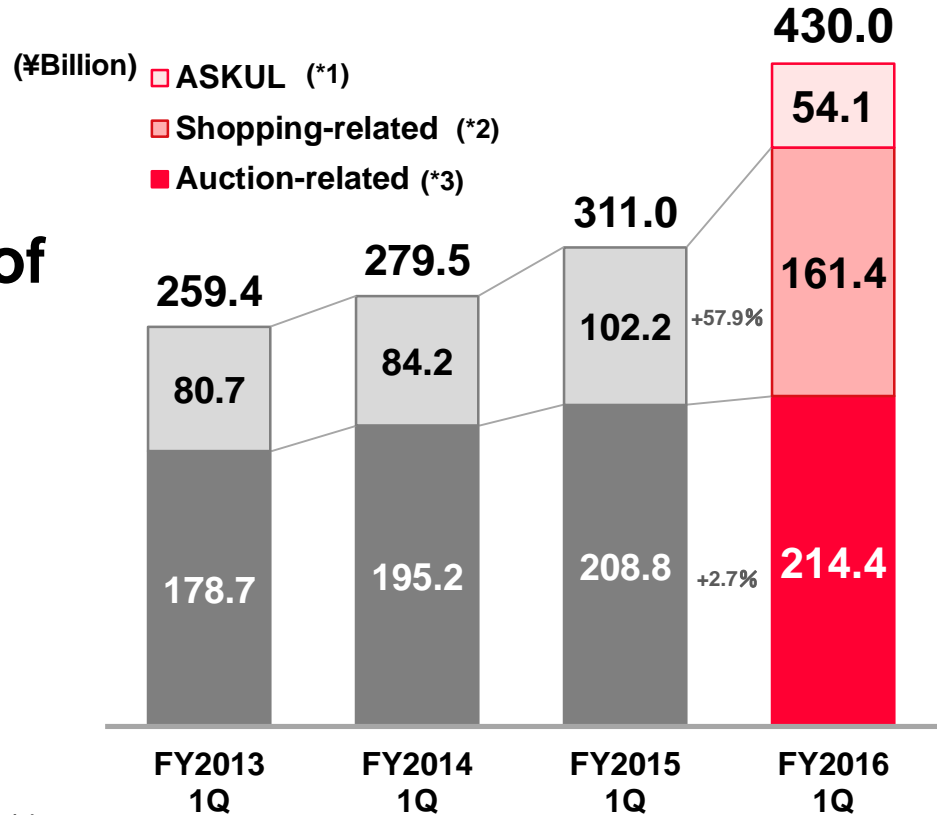
Note: Monthly number of logged-in Yahoo! JAPAN IDs.

Usage Trend of Domestic e-Commerce

Total Domestic e-Commerce Transaction Value



Achieved transaction value of
¥430 billion
 due to successful
 e-commerce strategies



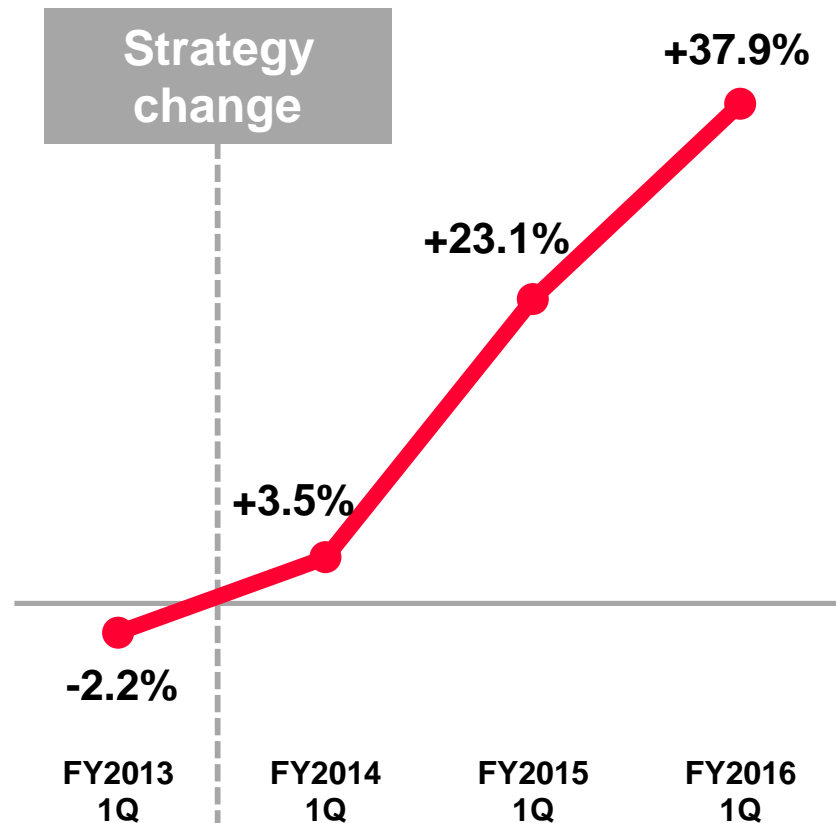
*1 ASKUL's non-consolidated BtoB-related revenue (transaction value; closing date: 20th of every month) via Internet.

*2 Includes transaction values of Yahoo! Shopping, Yahoo! Travel, paid digital contents, LOHACO, Yahoo! Restaurant Reservation, and Ikyu, etc. The prior data and comparative figures have been retroactively adjusted. LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.

*3 Includes transaction values of YAHUOKU!, tradecarview (<http://www.tradecarview.com/>), BOOKOFF Online (<http://www.bookoffonline.co.jp/>), and Yahoo! Tickets and others from April 2015. The prior data and comparative figures have been retroactively adjusted.

Shopping Transaction Value –YoY Growth Rate

**Growth rate
accelerated
after the strategy change**



Note: Includes transaction values of Yahoo! Shopping and LOHACO.
LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.

Core Businesses

Advertising

Auctions

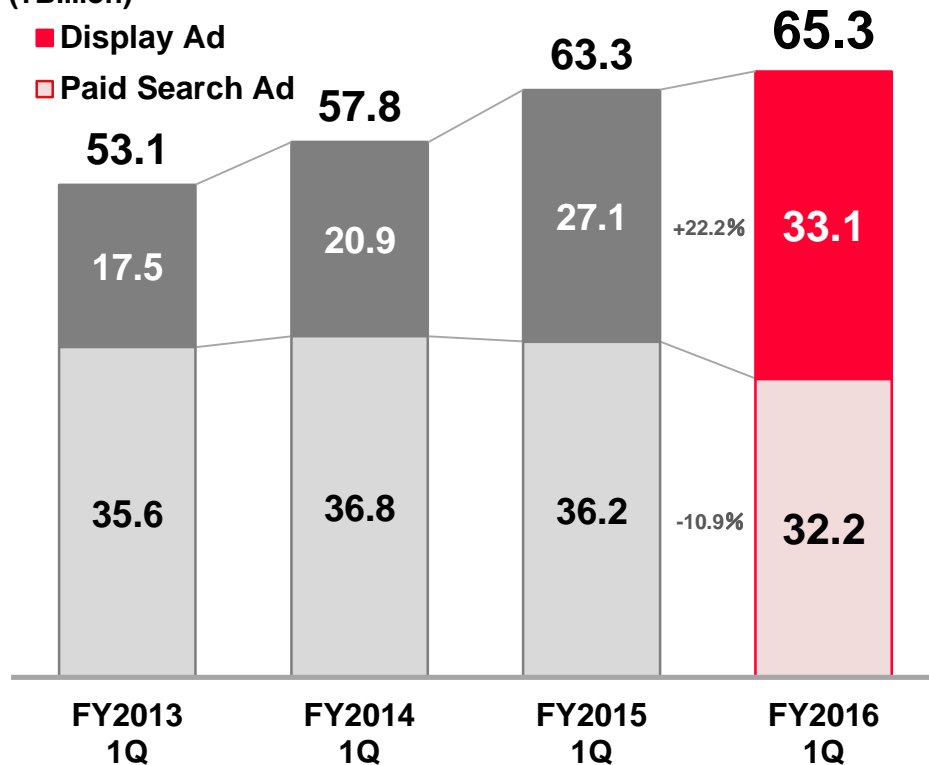
Membership Services

Advertising-Related Revenue

(¥Billion)

■ Display Ad

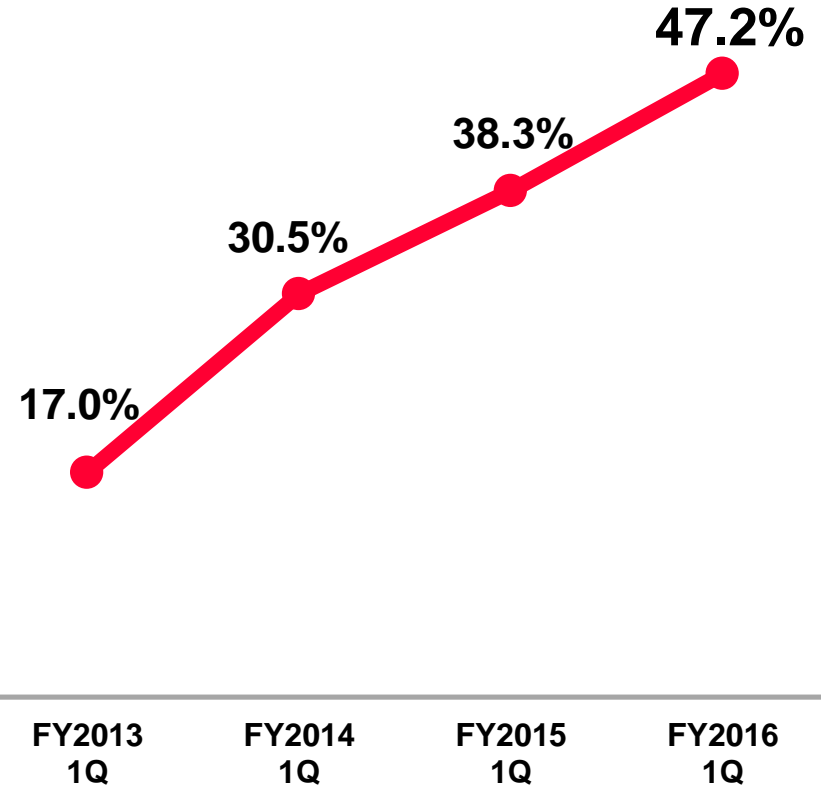
□ Paid Search Ad



**Steady growth
in display
advertising**

Proportion of Advertising-Related Revenue via Smartphones

Exceeded
47%,
a historic high



Note: Proportion of advertising revenue via smartphones in total advertising revenue.
The prior data have been retroactively adjusted. Contains a part of advertising revenue via tablets.

Core Businesses

Advertising

Auctions

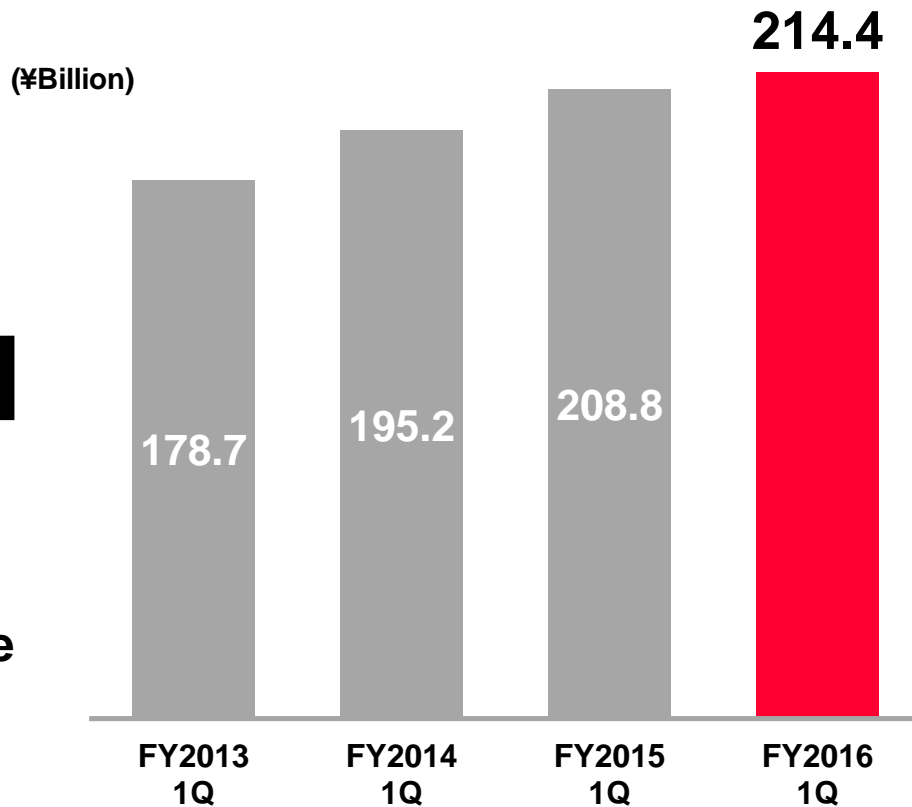
Membership Services

Auction-Related Transaction Value (*)



**Transaction
value continued
to grow**

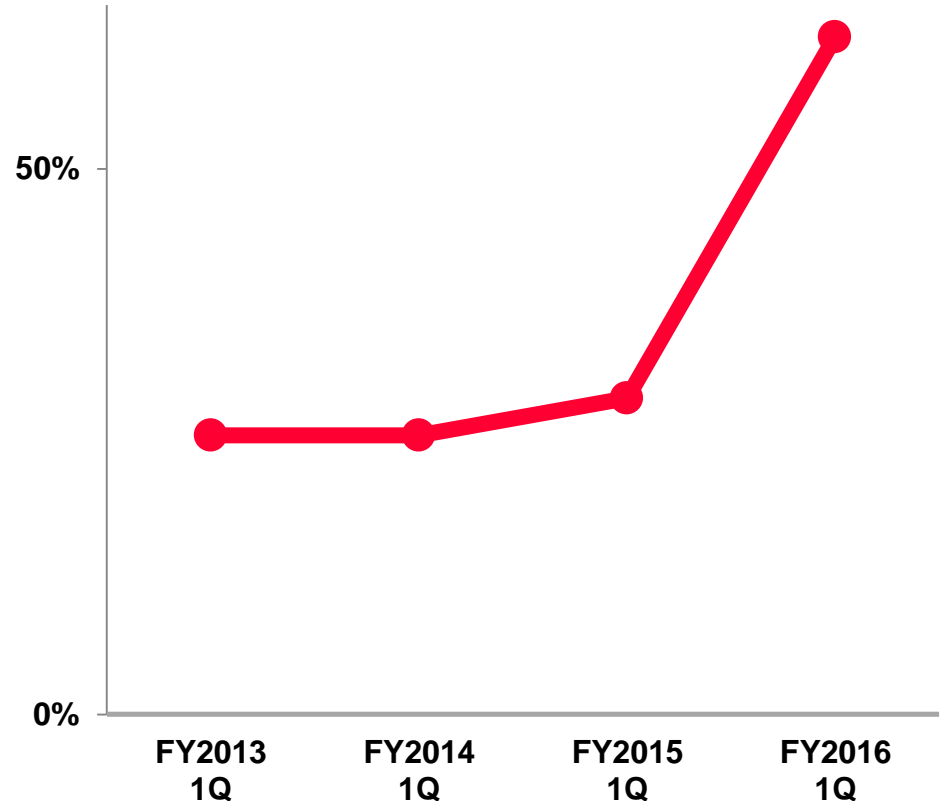
maintaining its dominant market share



* Includes transaction values of YAHUOKU!, tradecarview (<http://www.tradecarview.com/>), BOOKOFF Online (<http://www.bookoffonline.co.jp/>), and Yahoo! Tickets and others from April 2015. The prior data and comparative figures have been retroactively adjusted.

Usage Ratio of Yahoo! ezPay in YAHUOKU!

Exceeded 60%
for the first time since the
start of service



Note: Settlement fees for a successful bid paid by a buyer have been waived for auctions settled using "Yahoo! ezPay" since January 2016. The above is the value of payment made via Yahoo! ezPay out of the total transaction value.

Core Businesses

Advertising

Auctions

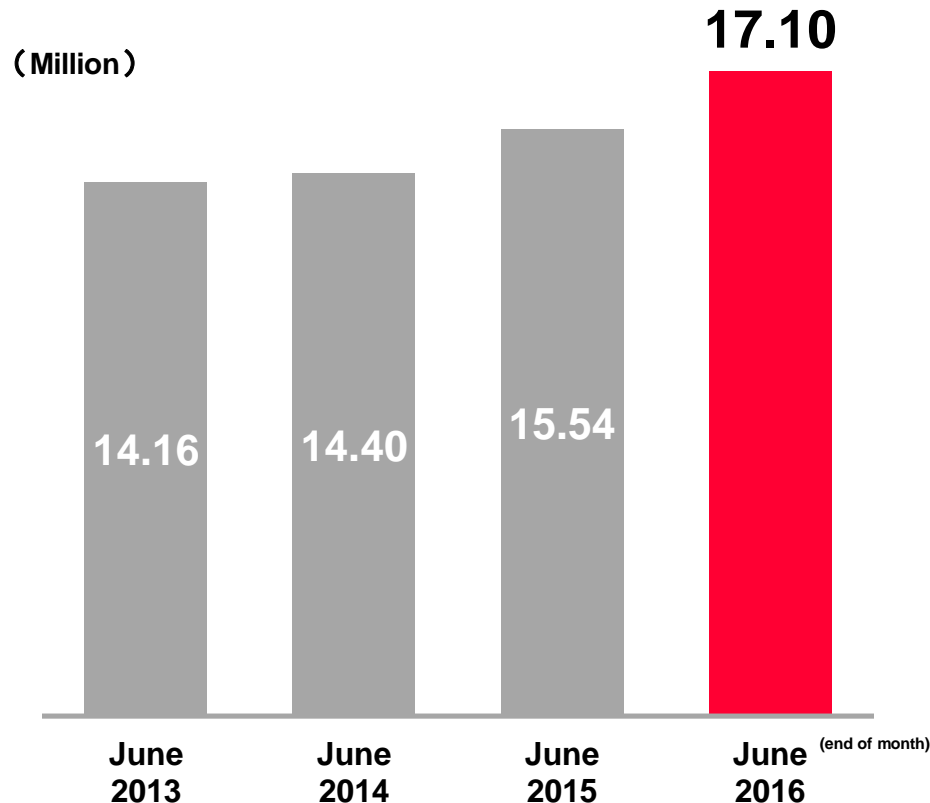
Membership Services

Number of Monthly Paid-Membership IDs



Exceeded
17 million IDs

Launch of “Premium GyaO!”, our SVOD services, also contributed to the growth



Note: Number of monthly paid-membership IDs is the total of membership IDs of Yahoo! Premium members, Yahoo! BB subscribers, monthly paid-subscribers of digital content and services provided by Yahoo! JAPAN and partner sites (IDs with payment through Yahoo! Wallet only). Paid-membership IDs are counted separately for each service, even if there is an overlap in IDs.

Upfront Investment- Stage Businesses

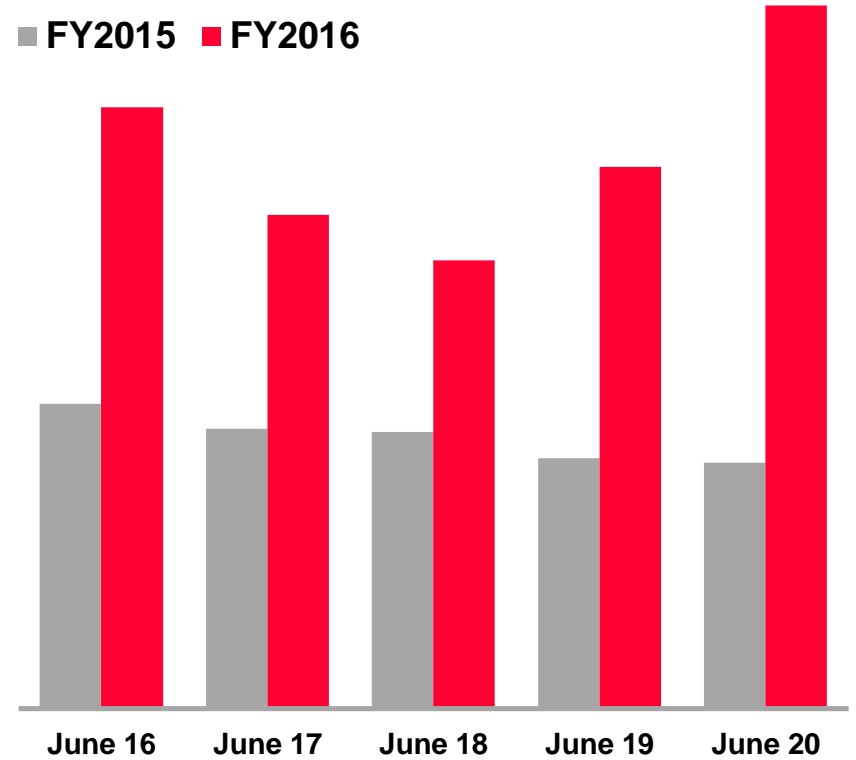
Shopping
Credit Card

Transaction Value during the 20th Anniversary Campaign



Shopping transaction value

YoY **2 X**



Note: Includes transaction values of Yahoo! Shopping and LOHACO.
LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business, operated by ASKUL.
Comparison made with corresponding dates in FY2015, which fall on the same days of the week.

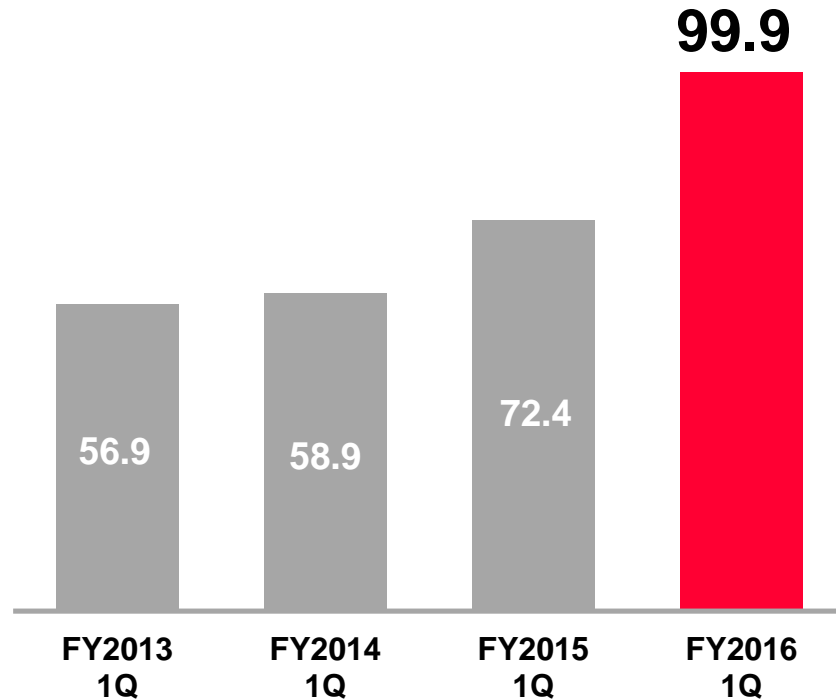
Shopping Transaction Value

(¥Billion)

Grew

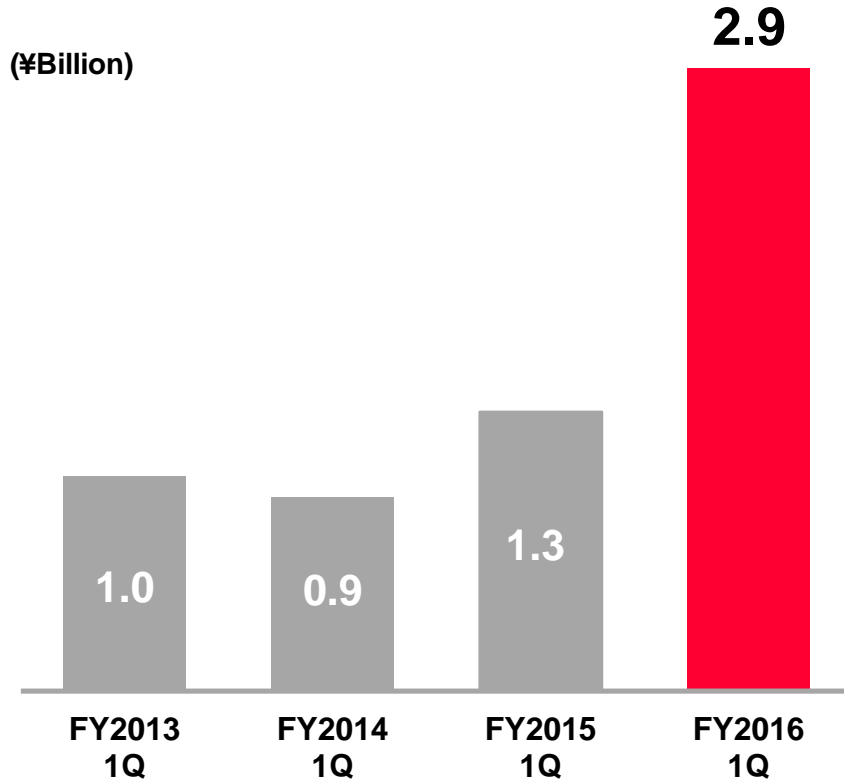
dramatically

despite controlled spending in
promotion costs



Note: Includes transaction values of Yahoo! Shopping and LOHACO.
LOHACO's transaction value is the revenue (closing date: 20th of every month) of
LOHACO business, operated by ASKUL.

Shopping-Related Advertising Revenue



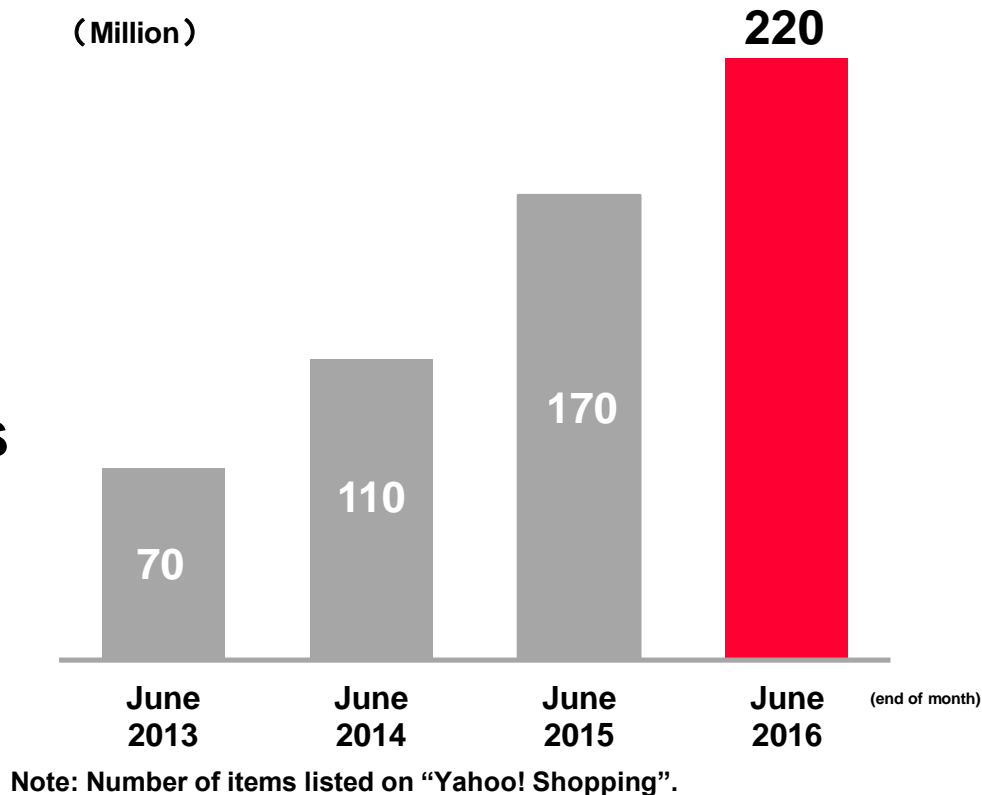
YoY 2.2 x

Note: Total of Yahoo Japan Corporation's non-consolidated Shopping-related advertising revenue; advertising revenue of "StoreMatch", an advertising product in Yahoo! Shopping sold by ValueCommerce Co., Ltd. to stores in Yahoo! Shopping; and revenues of paid search advertising and YDN, etc., placed by stores in Yahoo! Shopping.

Revenues of paid search advertising and YDN, etc., placed by stores in Yahoo! Shopping are accounted for in the advertising revenue of Marketing Solutions Business segment.

Number of Items in Yahoo! Shopping

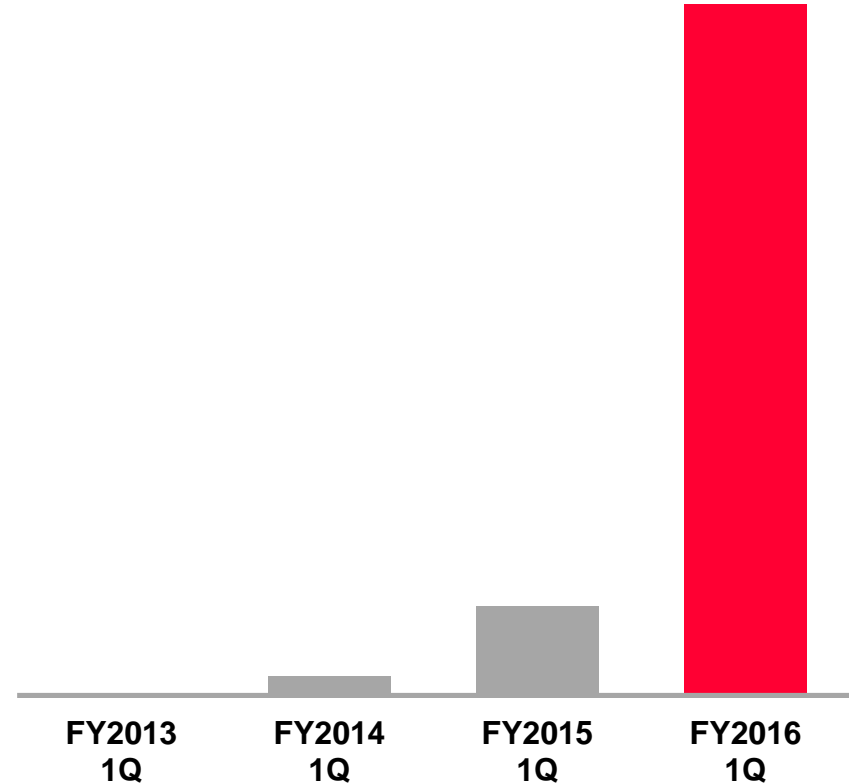
**Product lineup
enhanced
as the number of stores
increased**



Number of Yahoo! Premium Members Joined via Yahoo! Shopping



YoY 8 x



Note: Number of Yahoo! Premium members who joined via Yahoo! Shopping site.

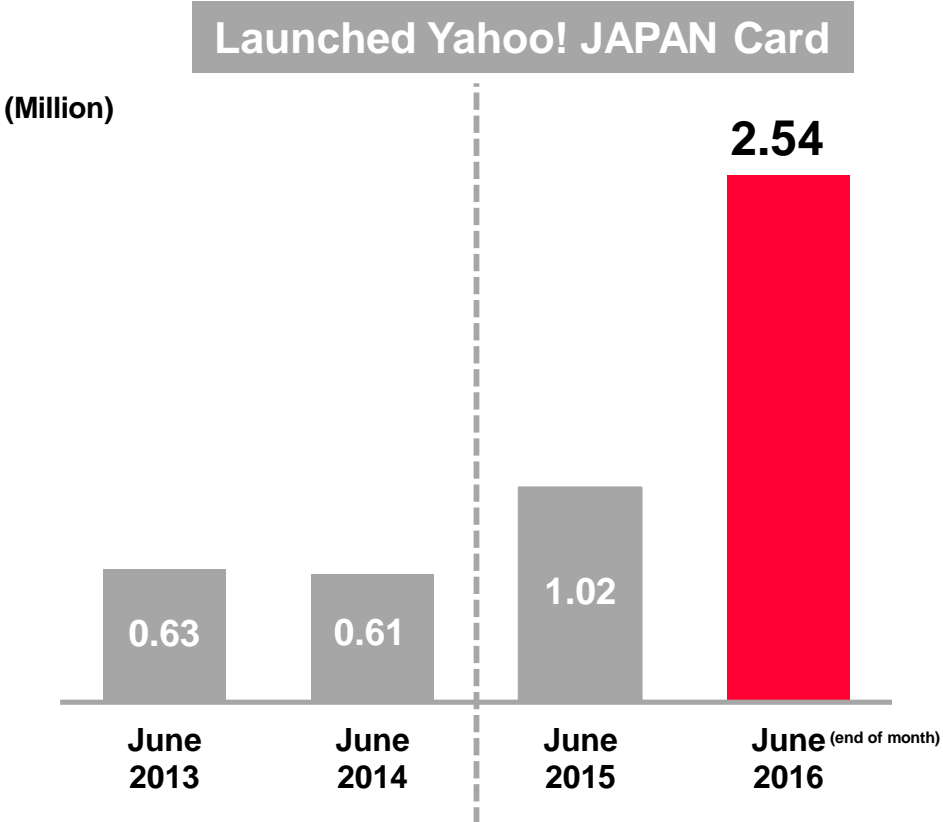
Upfront Investment- Stage Businesses

Shopping
Credit Card

Number of Valid Credit Card Holders



YoY **2.5** x



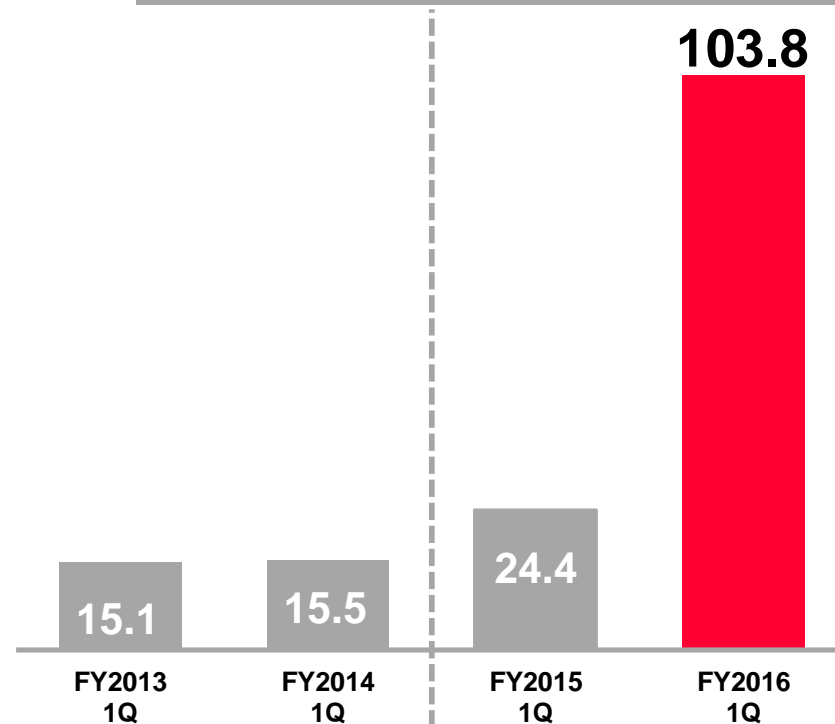
Note: Includes card holders of KC Card, Yahoo! JAPAN Card and SoftBank Card (“Omakase charge”).

Credit Card Transaction Value

YoY 4.2 x

(¥Billion)

Launched Yahoo! JAPAN Card

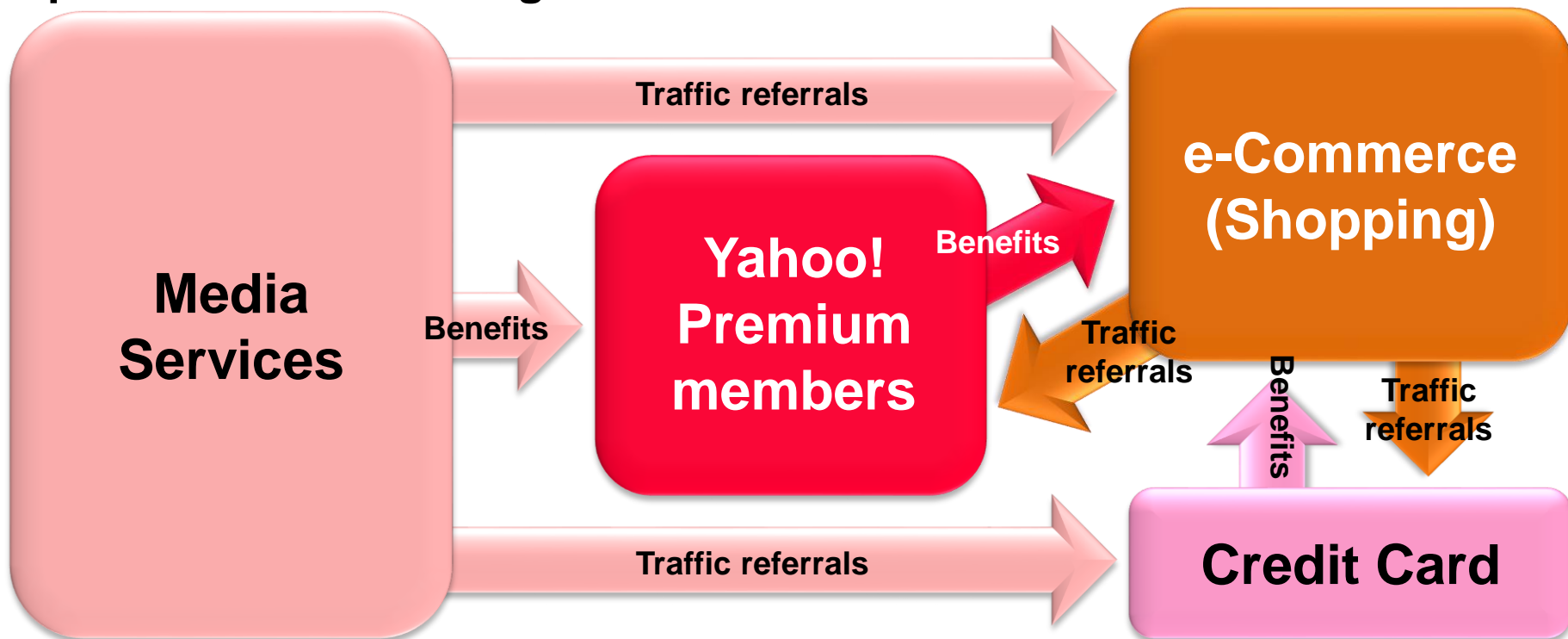


Note: Excludes cash advance service. Includes card holders of KC Card, Yahoo! JAPAN Card and SoftBank Card (“Omakase charge”).

Mid-Term Growth Strategies

Enhance Synergies between Services **YAHOO!** JAPAN

Leverage the immense traffic in our core businesses to develop the upfront investment-stage businesses



FY2016-1Q Quarterly Business Results Supplemental Information

Business Segment Breakdown

Marketing Solutions Business

- **Advertising:** Display advertising (“Yahoo! Display Ad Network (YDN)”, “Premium Advertising”), Paid search advertising “Sponsored Search”
- **Business Services:** CRM-related services, Recruiting-related services and others
- **Personal Services:** Web site production-related services and others

Consumer Business

- **Advertising:** Display advertising
- **Business Services:** ASKUL, Affiliate-related services, Corporate system-use fees of YAHUOKU!, Travel-related services, Yahoo! Real Estate, Automobile-related services and others
- **Personal Services:** Yahoo! Premium, LOHACO, Personal system-use fees of YAHUOKU!, Video-related services, Game-related services, Yahoo! BB ISP fees and others

Others

- **Advertising:** Display advertising
- **Business Services:** Data center-related services, Payment-related services, Credit card-related services, Yahoo! WebHosting and others
- **Personal Services:** FX-related service, Payment-related services, Credit card-related service and others

Note: The main transfer between segments in FY2016-1Q is that of GYAO Corporation, a consolidated subsidiary, and video-related services from Marketing Solutions Business to Consumer Business.

Advertising Products

Advertising Products		Main Format	Fee Calculation	Placement Pages	Main Advertiser Base
Paid search advertising	Sponsored Search®		Text	Search results pages	Major corporations
Display advertising	YDN and others	Yahoo! Display Ad Network (YDN) *3	Text / Banner	Top page	Small and medium-sized companies
		Yahoo! Premium DSP	Banner		Interior pages of service sites
	Premium Advertising	Brand Panel Prime Display and others	Rich ad (Including video) / Banner	Yahoo! Shopping	Stores in Yahoo! Shopping
		Banner / Text ads and others	Text / Banner		
		PR Option			

*1 Advertising that is programmatically or manually managed on a real-time basis to optimize advertisements effects.

*2 Advertising for which specific placement is reserved in advance.

*3 Including In-feed Advertising on timeline-view pages.

Revenue Trends by Advertising Products

Indicator	Unit	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)	15/4Q (Jan.-Mar.)	16/1Q (Apr.-Jun.)
Total advertising revenue	Billion yen	63.3	65.7	66.0	71.7	65.3
YoY Change	%	+9.5%	+8.6%	+6.3%	+3.5%	+3.3%
Paid search advertising revenue	Billion yen	36.2	36.1	33.4	34.6	32.2
YoY Change	%	-1.8%	-5.4%	-10.4%	-12.7%	-10.9%
Display advertising revenue	Billion yen	27.1	29.6	32.6	37.0	33.1
YoY Change	%	+29.5%	+32.8%	+31.4%	+25.1%	+22.2%
YDN and others revenue *1	Billion yen	18.4	21.5	22.4	25.8	24.6
YoY Change	%	+60.8%	+64.5%	+52.2%	+42.2%	+34.2%
Premium advertising revenue *2	Billion yen	8.7	8.0	10.2	11.2	8.4
YoY Change	%	-8.3%	-12.5%	+1.1%	-2.1%	-3.0%

*1 Yahoo! Premium DSP is included.

*2 Video advertising is included.

Quarterly Business Data (1)

Indicator (Quarterly average)	Unit	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)	15/4Q (Jan.-Mar.)	16/1Q (Apr.-Jun.)	YoY Change
Number of total monthly page views	Million	64,990	68,102	63,147	66,704	69,891	+7.5%
Number of total monthly smartphone page views *1	Million	31,930	34,476	32,584	35,976	39,252	+22.9%
Number of Daily UBs (Unique Browsers) *2	Million	82.82	85.09	83.19	86.93	90.07	+8.7%
Number of smartphone Daily UBs *1 *2	Million	49.23	51.61	50.61	54.28	57.39	+16.6%
Number of monthly active user IDs *3	Million	30.07	30.94	31.91	33.09	34.18	+13.7%
Number of monthly paid-membership IDs (quarter-end) *4	Million	15.54	15.99	16.34	16.73	17.10	+10.0%

*1 Monthly "Smartphone" page views and Daily UBs include access through iPhones/iPods, Android smartphones (with screen sizes of less than 7 inches), Windows Phones and smartphone applications. They do not include page views using iPads or Android tablets. They also do not include some access via smartphone applications.

*2 The cumulative total number of browsers accessing Yahoo! JAPAN. Access via browser and access via application are counted separately, even if there is an overlap in users.

*3 Number of Yahoo! JAPAN IDs logged in each month.

4 Total of membership IDs of Yahoo! Premium members, Yahoo! BB subscribers, monthly paid-subscribers of digital content and services provided by Yahoo! JAPAN and partner sites (*IDs with payment through Yahoo! Wallet only). Paid-membership IDs are counted separately for each service, even if there is an overlap in IDs.

Quarterly Business Data (2)

Indicator (Quarterly total)	Unit	15/1Q (Apr.-Jun.)	15/2Q (Jul.-Sep.)	15/3Q (Oct.-Dec.)	15/4Q (Jan.-Mar.)	16/1Q (Apr.-Jun.)	YoY Change
Auction-related transaction value *1	Billion yen	208.8	203.2	233.6	221.0	214.4	+2.7%
Shopping-related transaction value *2	Billion yen	102.2	113.9	145.3	160.7	161.4	+57.9%
ASKUL Corporation's non-consolidated BtoB-related revenue (transaction value) via Internet *3	Billion yen	-	16.3	50.1	50.2	54.1	n.a.
Total domestic e-commerce transaction value *4	Billion yen	311.0	333.5	429.1	432.1	430.0	+38.2%
Total domestic e-commerce transaction value via smartphone *5	Billion yen	117.0	125.3	165.2	164.2	150.6	+28.7%
Number of YAHUOKU! store IDs (quarter-end) *6	IDs	20,255	20,537	20,774	21,118	21,317	+5.2%
Number of Yahoo! Shopping store IDs (quarter-end) *6	IDs	317,778	346,888	374,812	399,333	423,519	+33.3%

*1 Includes transaction value of YAHUOKU!, tradecarview (<http://www.tradecarview.com/>), BOOKOFF Online (<http://www.bookoffonline.co.jp/>), and that of Yahoo! Ticket-related services from 1Q of FY2015.

*2 Includes transaction value of Yahoo! Shopping, Yahoo! Travel, pay digital content, LOHACO, Yahoo! Restaurant Reservation, that of Ikyu Corporation from 4Q of FY2015 (two months in 4Q) and others. LOHACO's transaction value is the revenue of LOHACO business (closing date: 20th of every month) operated by ASKUL.

*3 2Q of FY2015 is one month's revenue (transaction value, closing date: 20th of every month).

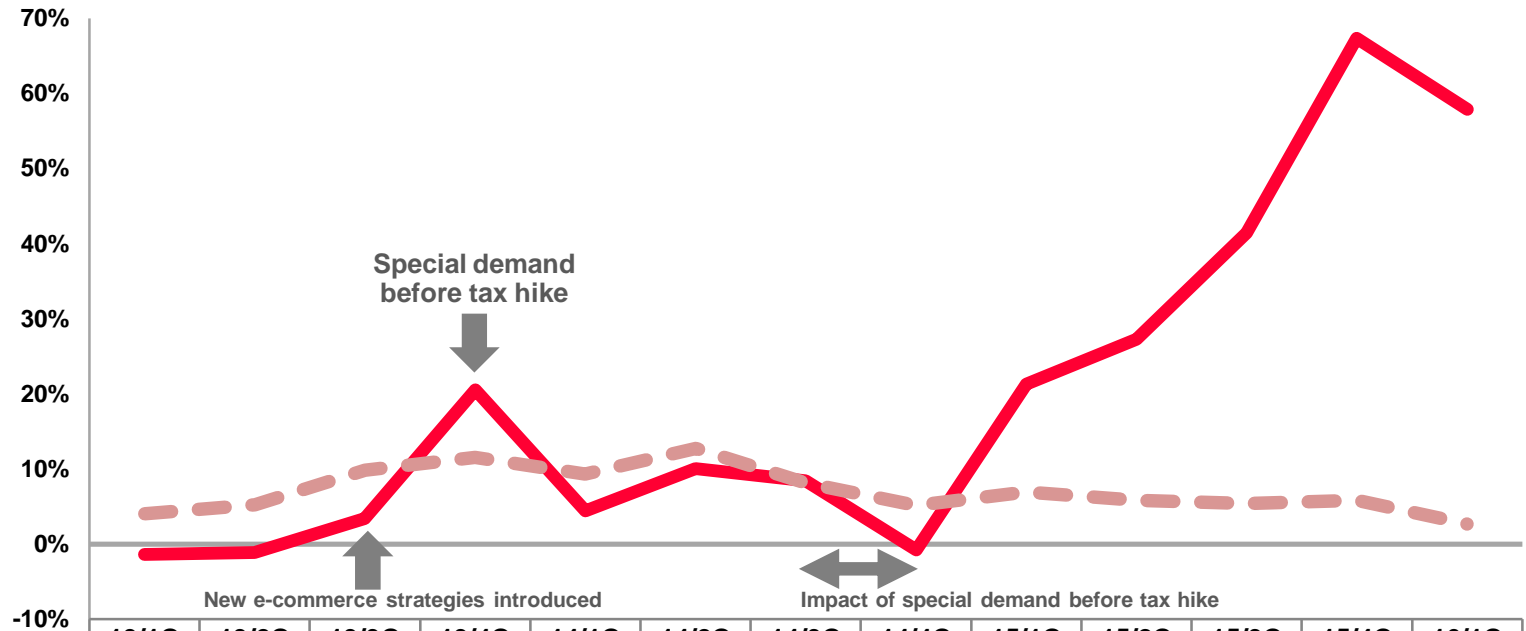
*4 Includes auction-related, shopping-related transaction value and ASKUL's non-consolidated BtoB-related revenue (transaction value) via Internet from 2Q of FY2015 (one month in 2Q).

*5 Includes auction-related and shopping-related transaction value.

*6 Numbers of YAHUOKU! and Yahoo! Shopping stores are based on accounts issued. They include the number of accounts still preparing to launch store sites.

43 Note: As a result of adopting a more accurate calculation method, prior figures have been retroactively adjusted.

Quarterly Transaction Value of Shopping-related and Auction-related business YoY Growth Trend



	13/1Q	13/2Q	13/3Q	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q	15/1Q	15/2Q	15/3Q	15/4Q	16/1Q
Shopping-related *	-1.4%	-1.1%	3.4%	20.5%	4.4%	10.0%	8.4%	-0.8%	21.3%	27.3%	41.4%	67.3%	57.9%
Auction-related	4.0%	5.2%	9.8%	11.5%	9.3%	12.7%	8.1%	5.1%	6.9%	5.8%	5.4%	5.8%	2.7%

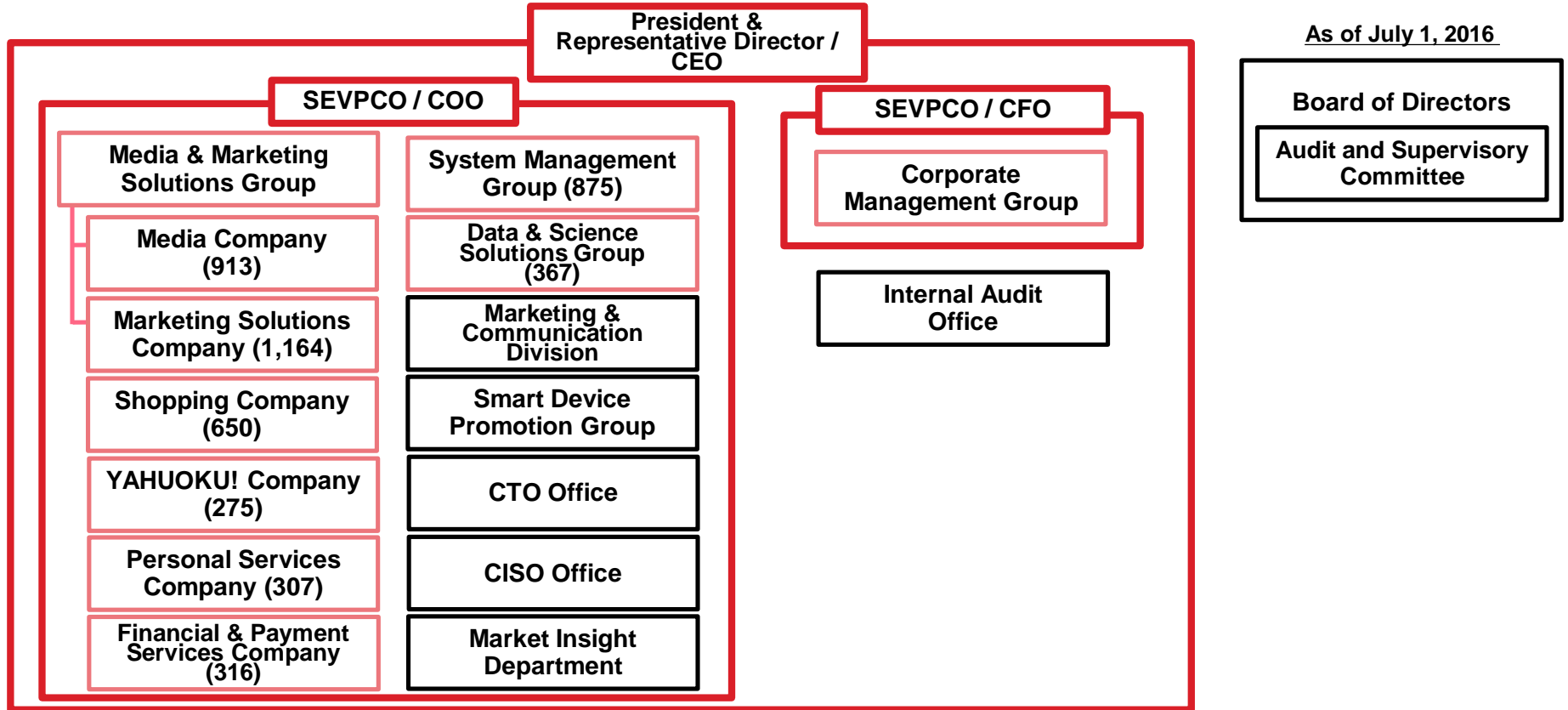
Note: Each quarterly growth rate is calculated based on the same definition.

* Includes transaction value of Yahoo! Shopping, Yahoo! Travel, pay digital content, LOHACO, Yahoo! Restaurant Reservation, that of Ikyu Corporation from 4Q of FY2015 (two months in 4Q) and others.

LOHACO's transaction value is the revenue (closing date: 20th of every month) of LOHACO business operated by ASKUL.

Organization Chart of Yahoo Japan Corporation

As of July 1, 2016

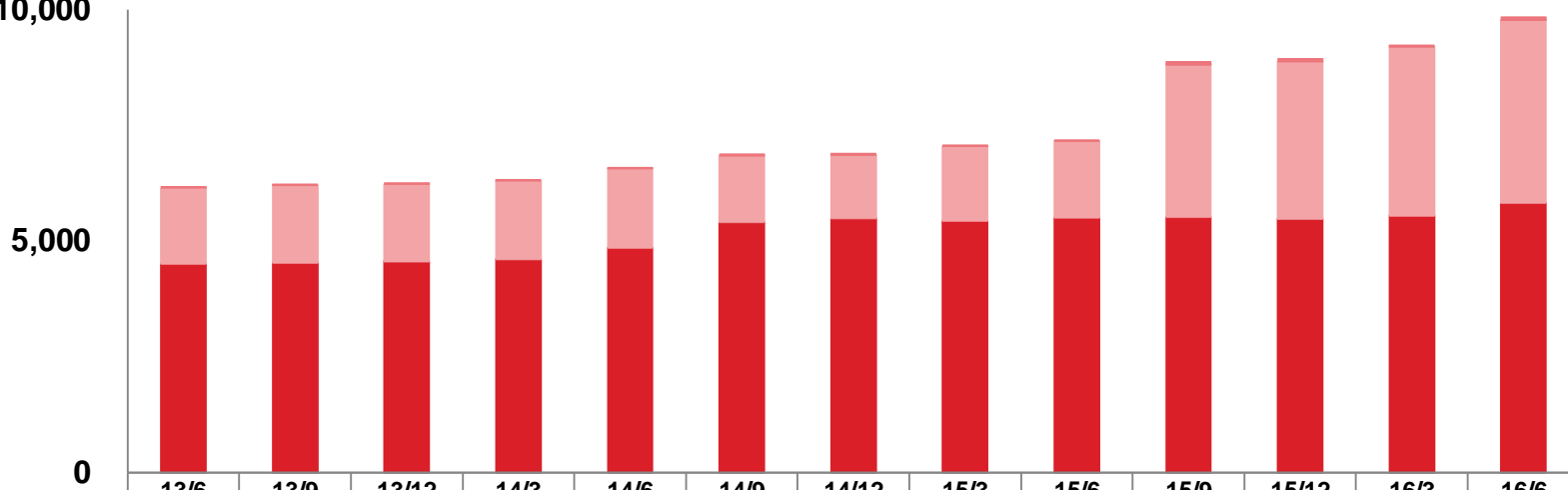


Note 1: Figures in parentheses are number of employees.
 Note 2: SEVPCO = Senior Executive Vice President Corporate Officer

Number of Directors and Employees

(at the End of Quarter)

(Number of People) 10,000



	13/6	13/9	13/12	14/3	14/6	14/9	14/12	15/3	15/6	15/9	15/12	16/3	16/6
■ Directors and Auditors of Subsidiaries	30	33	31	30	30	38	33	33	33	61	61	54	63
■ Employees of Subsidiaries	1,620	1,660	1,658	1,684	1,695	1,421	1,352	1,595	1,642	3,285	3,390	3,630	3,940
■ Directors and Auditors of Yahoo Japan Corporation	9	9	9	9	11	11	11	11	9	9	9	9	8
■ Employees of Yahoo Japan Corporation	4,514	4,531	4,562	4,607	4,860	5,407	5,498	5,439	5,509	5,518	5,480	5,547	5,830
Total	6,173	6,233	6,260	6,330	6,596	6,877	6,894	7,078	7,193	8,873	8,940	9,240	9,841

Note: The above figures of employees include staff who have been dispatched.

Consolidated Subsidiaries and Associates

(as of June 30, 2016)

● Major consolidated subsidiaries

- ◆ ASKUL Corporation
- ◆ Dynatech inc.
- ◆ FirstServer, Inc.
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd
- ◆ Synergy Marketing, Inc.
- ◆ YJ Capital Inc.
- ◆ YJFX, Inc.
- ◆ Y's Sports Inc.
- ◆ Carview Corporation
- ◆ ecohai Co., Ltd.
- ◆ GYAO Corporation
- ◆ Ikyu Corporation
- ◆ Passrevo Corporation **NEW!**
- ◆ ValueCommerce Co., Ltd.
- ◆ YJ Card Corporation
- ◆ Y's Insurance Inc.

● Major associates

- ◆ BOOKOFF CORPORATION LIMITED
- ◆ GameBank Corp.
- ◆ The Japan Net Bank, Limited
- ◆ BuzzFeed Japan Corporation
- ◆ Sony Real Estate Corporation

Corporate Governance System

