

Yahoo Japan Corporation FY2017 2Q Consolidated Statements of Income Trend (IFRSs)

Unit: Millions of Yen

Grand Total	FY2016				FY2017		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	204,260	205,335	221,361	222,773	212,729	215,292	100.0%	2,562	+1.2%	9,956	+4.8%
Advertising	65,384	69,475	72,967	78,616	70,491	74,373	34.5%	3,881	+5.5%	4,897	+7.0%
Business Services	96,473	93,962	100,552	100,564	99,650	97,768	45.4%	-1,881	-1.9%	3,805	+4.1%
Personal Services	42,403	41,896	47,842	43,591	42,587	43,150	20.0%	562	+1.3%	1,253	+3.0%
Intra-Company Revenue	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	91,214	89,741	96,651	95,905	92,668	89,302	41.5%	-3,366	-3.6%	-439	-0.5%
Gross Profit	113,046	115,593	124,710	126,867	120,060	125,990	58.5%	5,929	+4.9%	10,396	+9.0%
Selling, General and Administrative Expenses	62,169	66,084	72,938	76,238	72,781	83,221	38.7%	10,439	+14.3%	17,136	+25.9%
Other Income and Expenses	-	-	-	-10,736	4,929	-	n.a.	-4,929	n.a.	-	n.a.
Operating Income	50,877	49,508	51,772	39,891	52,209	42,768	19.9%	-9,440	-18.1%	-6,739	-13.6%
Other Non-Operating Income and Expenses	74	-765	785	383	3,961	2,132	1.0%	-1,829	-46.2%	2,897	n.a.
Equity in Earnings (Losses) of Associates	294	174	241	237	269	333	0.2%	63	+23.4%	159	+91.4%
Income before Income Taxes	51,245	48,917	52,799	40,512	56,440	45,234	21.0%	-11,206	-19.9%	-3,682	-7.5%
Net Income	35,221	33,461	36,119	27,830	37,502	31,221	14.5%	-6,281	-16.7%	-2,240	-6.7%
Net Income Attributable to Owners of the Parent	35,508	33,611	35,680	31,790	35,911	31,728	14.7%	-4,182	-11.6%	-1,882	-5.6%
Operating Margin	24.9%	24.1%	23.4%	17.9%	24.5%	19.9%	n.a.	-4.7%	n.a.	-4.2%	n.a.
Ratio of Income before Income Taxes to Revenue	25.1%	23.8%	23.9%	18.2%	26.5%	21.0%	n.a.	-5.5%	n.a.	-2.8%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	17.4%	16.4%	16.1%	14.3%	16.9%	14.7%	n.a.	-2.1%	n.a.	-1.6%	n.a.

Media Business	FY2016				FY2017		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	65,445	69,578	70,027	76,054	67,571	71,073	100.0%	3,502	+5.2%	1,495	+2.1%
Advertising	63,036	66,906	67,927	73,776	65,715	69,250	97.4%	3,535	+5.4%	2,343	+3.5%
Business Services	2,338	2,603	2,032	2,213	1,795	1,764	2.5%	-31	-1.8%	-839	-32.2%
Personal Services	69	68	67	65	60	59	0.1%	-0	-1.5%	-9	-13.4%
Intra-Company Revenue	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	14,945	15,213	15,298	16,333	15,192	12,566	17.7%	-2,625	-17.3%	-2,647	-17.4%
Gross Profit	50,499	54,365	54,728	59,720	52,379	58,507	82.3%	6,128	+11.7%	4,142	+7.6%
Selling, General and Administrative Expenses	12,397	13,976	13,485	15,037	14,075	17,382	24.5%	3,307	+23.5%	3,406	+24.4%
Other Income and Expenses	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	38,101	40,388	41,243	44,683	38,303	41,124	57.9%	2,821	+7.4%	735	+1.8%
Operating Margin	58.2%	58.0%	58.9%	58.8%	56.7%	57.9%	n.a.	1.2%	n.a.	-0.2%	n.a.

Commerce Business	FY2016				FY2017		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	135,911	133,108	147,872	144,102	142,245	141,478	100.0%	-766	-0.5%	8,370	+6.3%
Advertising	2,649	2,907	5,431	5,009	5,157	5,271	3.7%	113	+2.2%	2,364	+81.3%
Business Services	89,442	86,665	92,871	93,698	93,212	91,581	64.7%	-1,630	-1.7%	4,916	+5.7%
Personal Services	41,909	41,629	47,581	43,336	42,097	42,882	30.3%	785	+1.9%	1,253	+3.0%
Intra-Company Revenue	1,910	1,907	1,987	2,057	1,777	1,742	1.2%	-34	-2.0%	-164	-8.6%
Cost of Sales	74,119	72,272	79,010	77,023	75,027	74,313	52.5%	-713	-1.0%	2,041	+2.8%
Gross Profit	61,792	60,836	68,861	67,079	67,218	67,165	47.5%	-52	-0.1%	6,328	+10.4%
Selling, General and Administrative Expenses	39,855	39,870	46,220	47,492	47,193	52,728	37.3%	5,534	+11.7%	12,858	+32.2%
Other Income and Expenses	-	-	-	-13,006	4,929	-	n.a.	-4,929	n.a.	-	n.a.
Operating Income	21,936	20,966	22,641	6,580	24,954	14,436	10.2%	-10,517	-42.1%	-6,529	-31.1%
Operating Margin	16.1%	15.8%	15.3%	4.6%	17.5%	10.2%	n.a.	-7.3%	n.a.	-5.5%	n.a.

Others	FY2016				FY2017		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	6,405	6,159	7,099	6,132	6,226	5,752	100.0%	-473	-7.6%	-407	-6.6%
Advertising	0	0	0	0	0	0	0.0%	-0	-17.5%	-0	-66.8%
Business Services	4,784	4,809	5,753	4,763	4,755	4,557	79.2%	-197	-4.2%	-251	-5.2%
Personal Services	424	198	193	189	429	207	3.6%	-221	-51.6%	8	+4.5%
Intra-Company Revenue	1,196	1,151	1,152	1,179	1,041	987	17.2%	-54	-5.3%	-164	-14.3%
Cost of Sales	2,204	2,331	2,406	2,619	2,511	2,487	43.2%	-24	-1.0%	156	+6.7%
Gross Profit	4,201	3,828	4,693	3,513	3,714	3,264	56.8%	-449	-12.1%	-563	-14.7%
Selling, General and Administrative Expenses	2,713	2,751	3,210	2,456	2,934	2,910	50.6%	-24	-0.8%	158	+5.8%
Other Income and Expenses	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	1,487	1,076	1,482	1,056	780	354	6.2%	-425	-54.5%	-721	-67.0%
Operating Margin	23.2%	17.5%	20.9%	17.2%	12.5%	6.2%	n.a.	-6.4%	n.a.	-11.3%	n.a.

Adjustments	FY2016				FY2017		% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q		Increase/Decrease	Change	Increase/Decrease	Change
Revenue	-3,502	-3,512	-3,637	-3,516	-3,313	-3,012	n.a.	300	n.a.	499	n.a.
Advertising	-301	-337	-392	-169	-380	-147	n.a.	233	n.a.	190	n.a.
Business Services	-93	-115	-104	-110	-112	-135	n.a.	-22	n.a.	-19	n.a.
Personal Services	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Intra-Company Revenue	-3,107	-3,058	-3,139	-3,237	-2,819	-2,730	n.a.	89	n.a.	328	n.a.
Cost of Sales	-55	-75	-63	-70	-62	-65	n.a.	-3	n.a.	10	n.a.
Gross Profit	-3,446	-3,436	-3,573	-3,446	-3,251	-2,947	n.a.	303	n.a.	488	n.a.
Selling, General and Administrative Expenses	7,201	9,486	10,021	11,252	8,577	10,199	n.a.	1,621	+18.9%	713	+7.5%
Other Income and Expenses	-	-	-	2,269	-	-	n.a.	-	n.a.	-	n.a.
Operating Income	-10,648	-12,922	-13,595	-12,429	-11,828	-13,147	n.a.	-1,318	n.a.	-224	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: The group has changed reporting segments from the announcement of business results for FY2017-1Q.

The main changes in the segments are: i) change in the segment name from "Marketing Solutions Business" to "Media Business"; ii) integration of Financial & Payment-related figures that were previously recorded in "Others" and "Consumer Business" to "Commerce Business"; iii) transfer of some of the services previously included in "Marketing Solutions Business" and "Consumer Business" to "Others".

Note 2: In the case where any major service has been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

Note 3: Adjustments figures represent inter-segment transaction and general corporate expenses not belonging to any reporting segment.

Note 4: The group recorded the damages of ¥13.0 billion as Other Expenses in FY2016-4Q as a result of the fire incident at the logistics center of ASKUL Corporation.

Note 5: The group recorded the insurance proceeds of ¥4.9 billion as Other Income in FY2017-1Q as a result of the fire incident at the logistics center of ASKUL Corporation.