

Yahoo Japan Corporation FY2018/4Q Consolidated Statements of Income Trend (IFRSs)

Unit: Millions of Yen

Grand Total	FY2017				FY2018				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	212,729	215,292	230,771	238,391	231,855	233,163	242,571		247,123	100.0%	4,551	+1.9%
Advertising	70,491	74,373	77,802	80,775	76,427	79,354	82,936	85,131	34.4%	2,194	+2.7%	4,355	+5.4%
Business Services	99,650	97,768	103,883	106,338	101,780	99,192	105,660	107,639	43.6%	1,979	+1.9%	1,301	+1.2%
Personal Services	42,587	43,150	49,085	50,912	52,968	53,304	55,494	53,320	21.6%	-2,173	-3.9%	2,408	+4.7%
Others	-	-	-	365	679	1,312	-1,519	1,031	0.4%	2,551	n.a.	666	+182.2%
Intra-Company Revenue	-	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	92,668	89,302	97,876	102,620	101,250	98,993	103,139	105,529	42.7%	2,389	+2.3%	2,909	+2.8%
Selling, General and Administrative Expenses	72,781	83,221	83,636	99,934	90,998	98,642	102,864	114,075	46.2%	11,210	+10.9%	14,141	+14.2%
Other Income and Expenses	4,929	-	3,566	2,169	7,977	-	-	-6,668	-2.7%	-6,668	n.a.	-8,837	-407.4%
Operating Income	52,209	42,768	52,825	38,006	47,584	35,527	36,567	20,849	8.4%	-15,717	-43.0%	-17,156	-45.1%
Other Non-Operating Income and Expenses	3,961	2,132	719	-491	688	551	-564	-291	-0.1%	273	n.a.	199	n.a.
Equity in Earnings (Losses) of Associates	269	333	424	17	208	-1,174	-9,145	-7,430	-3.0%	1,714	n.a.	-7,448	-41,963.4%
Income before Income Taxes	56,440	45,234	53,969	37,532	48,481	34,904	26,857	13,127	5.3%	-13,730	-51.1%	-24,405	-65.0%
Net Income	37,502	31,221	37,048	28,641	32,647	22,794	14,646	7,740	3.1%	-6,906	-47.2%	-20,901	-73.0%
Net Income Attributable to Owners of the Parent	35,911	31,728	35,498	28,015	32,673	22,473	15,024	8,505	3.4%	-6,519	-43.4%	-19,510	-69.6%
Operating Margin	24.5%	19.9%	22.9%	15.9%	20.5%	15.2%	15.1%	8.4%	n.a.	-6.6%	n.a.	-7.5%	n.a.
Ratio of Income before Income Taxes to Revenue	26.5%	21.0%	23.4%	15.7%	20.9%	15.0%	11.1%	5.3%	n.a.	-5.8%	n.a.	-10.4%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	16.9%	14.7%	15.4%	11.8%	14.1%	9.6%	6.2%	3.4%	n.a.	-2.8%	n.a.	-8.3%	n.a.

Media Business	FY2017				FY2018				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	68,112	71,670	73,437	77,370	72,174	75,127	76,328		79,841	100.0%	3,512	+4.6%
Advertising	65,683	69,206	70,908	74,880	70,139	73,087	74,364	77,746	97.4%	3,381	+4.5%	2,866	+3.8%
Business Services	1,896	1,883	1,926	2,011	1,769	1,747	1,670	1,809	2.3%	138	+8.3%	-202	-10.1%
Personal Services	532	580	602	479	265	292	293	285	0.4%	-7	-2.6%	-193	-40.4%
Intra-Company Revenue	-	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Cost of Sales	15,939	13,435	14,470	14,768	16,673	17,712	17,344	18,043	22.6%	699	+4.0%	3,275	+22.2%
Selling, General and Administrative Expenses	16,313	20,995	18,131	20,534	18,754	22,097	22,530	26,918	33.7%	4,387	+19.5%	6,383	+31.1%
Other Income and Expenses	-	-	-	-	-	-	-0	-2,379	3.0%	-2,379	n.a.	-2,379	n.a.
Operating Income	35,859	37,238	40,835	42,068	36,745	35,317	36,454	32,501	40.7%	-3,953	-10.8%	-9,567	-22.7%
Operating Margin	52.6%	52.0%	55.6%	54.4%	50.9%	47.0%	47.8%	40.7%	n.a.	-7.1%	n.a.	-13.7%	n.a.

Commerce Business	FY2017				FY2018				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	140,798	139,983	153,376	157,923	158,467	157,837	166,154		167,173	100.0%	1,019	+0.6%
Advertising	5,158	5,271	7,301	6,332	6,602	6,633	9,136	7,730	4.6%	-1,405	-15.4%	1,398	+22.1%
Business Services	93,204	91,564	96,789	99,945	98,166	96,369	102,708	104,773	62.7%	2,064	+2.0%	4,827	+4.8%
Personal Services	41,625	42,361	48,292	50,250	52,198	52,780	54,999	52,840	31.6%	-2,158	-3.9%	2,590	+5.2%
Others	-	-	-	365	679	1,312	-1,519	1,031	0.6%	2,551	n.a.	666	+182.2%
Intra-Company Revenue	809	785	992	1,029	820	740	830	796	0.5%	-33	-4.1%	-232	-22.6%
Cost of Sales	74,284	73,446	80,990	85,087	84,075	81,227	85,732	87,419	52.3%	1,686	+2.0%	2,331	+2.7%
Selling, General and Administrative Expenses	45,254	49,542	51,625	59,565	58,966	60,904	64,792	66,429	39.7%	1,636	+2.5%	6,863	+11.5%
Other Income and Expenses	4,929	-	3,561	2,168	0	-	-	-4,289	-2.6%	-4,289	n.a.	-6,458	-297.8%
Operating Income	26,189	16,995	24,322	15,438	15,425	15,704	15,629	9,035	5.4%	-6,593	-42.2%	-6,403	-41.5%
Operating Margin	18.6%	12.1%	15.9%	9.8%	9.7%	10.0%	9.4%	5.4%	n.a.	-4.0%	n.a.	-4.4%	n.a.

Others	FY2017				FY2018				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	5,948	5,467	6,330	5,580	3,173	2,118	2,425		2,190	100.0%	-235	-9.7%
Advertising	-	-	-	-	-	-	-	-	n.a.	-	n.a.	-	n.a.
Business Services	4,663	4,455	5,317	4,538	1,845	1,074	1,281	1,056	48.2%	-225	-17.6%	-3,481	-76.7%
Personal Services	429	207	190	182	504	230	202	194	8.9%	-8	-4.0%	11	+6.3%
Intra-Company Revenue	855	805	822	859	823	813	941	939	42.9%	-2	-0.2%	79	+9.3%
Cost of Sales	2,507	2,485	2,506	2,894	819	67	67	71	3.2%	3	+5.5%	-2,823	-97.5%
Selling, General and Administrative Expenses	2,365	1,922	2,681	2,399	1,411	1,426	1,971	1,825	83.3%	-146	-7.4%	-573	-23.9%
Other Income and Expenses	-	-	5	-250	7,977	-	-	-	n.a.	-	n.a.	250	n.a.
Operating Income	1,075	1,060	1,148	538	8,920	624	387	293	13.4%	-93	-24.1%	-244	-45.4%
Operating Margin	18.1%	19.4%	18.1%	9.6%	281.1%	29.5%	16.0%	13.4%	n.a.	-2.5%	n.a.	+3.8%	n.a.

Adjustments	FY2017				FY2018				% of Revenue	Quarter-on-Quarter		Year-on-Year	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		Increase/Decrease	Change	Increase/Decrease	Change
	Revenue	-2,129	-1,829	-2,373	-2,483	-1,959	-1,920	-2,337		-2,081	n.a.	255	n.a.
Advertising	-350	-103	-408	-437	-314	-366	-564	-346	n.a.	217	n.a.	91	n.a.
Business Services	-112	-135	-149	-156	0	0	0	0	n.a.	1	n.a.	157	n.a.
Personal Services	-	-	-	-	-0	0	-	-	n.a.	-	n.a.	-	n.a.
Intra-Company Revenue	-1,665	-1,590	-1,815	-1,889	-1,644	-1,553	-1,772	-1,736	n.a.	36	n.a.	152	n.a.
Cost of Sales	-62	-65	-91	-130	-318	-13	-4	-4	n.a.	0	n.a.	126	n.a.
Selling, General and Administrative Expenses	8,848	10,760	11,198	17,435	11,865	14,213	13,571	18,903	n.a.	5,332	+39.3%	1,467	+8.4%
Other Income and Expenses	-	-	-	-250	-0	-	0	-	n.a.	-0	n.a.	250	n.a.
Operating Income	-10,915	-12,525	-13,480	-20,039	-13,507	-16,119	-15,903	-20,981	n.a.	-5,077	n.a.	-942	n.a.
Operating Margin	n.a.	n.a.	n.a.	n.a.	n.a.								

Note 1: Reporting segments for some services have been changed from FY2018-1Q. The main change is the transfer of GYAO Corporation and video-related services, etc., from "Commerce Business" to "Media Business". Prior data and comparative figures have been adjusted to the current segments retroactively.

Note 2: In accordance with the change in accounting policy, part of the payment fees which was recorded as cost of sales, etc. has been deducted from revenue from FY2018-1Q. Prior data and comparative figures have not been retroactively adjusted.

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

Note 4: As for the breakdown of the inner classifications of business segments (Advertising, Business Services, Personal Services, Others), please refer to "Business Segment Breakdown" described in the supplemental information of the Earnings Slides.

Note 5: In FY2017-1Q, insurance proceeds of ¥4.9 billion as a result of the fire incident at the logistics center of ASKUL Corporation is recorded in "Other Income and Expenses" in "Commerce Business".

Note 6: In FY2017-3Q, gain on ASKUL Corporation's sales of property and equipment of ¥3.5 billion is recorded in "Other Income and Expenses" in "Commerce Business".

Note 7: In FY2017-4Q, gain on forgiveness of debt of ¥1.7 billion as a result of the fire incident at the logistics center of ASKUL Corporation is recorded in "Other Income and Expenses" in "Commerce Business".

Note 8: The group has made The Japan Net Bank, Limited its consolidated subsidiary on February 1, 2018.

Note 9: Investment profit/loss etc., of The Japan Net Bank, Limited is recorded in "Others" in "Commerce Business" revenue.

Note10: In FY2018-1Q, gain in sales of shares of IDC Frontier Inc. of ¥7.9 billion is included in "Other Income and Expenses" in "Others".

Note11: In FY2018-4Q, impairment loss of ¥3.6 billion related to the property and equipment and intangible assets of ASKUL Corporation's logistic center (AVC Hidaka) is recorded in "Other Income and Expenses" in "Commerce Business".

Note12: In FY2018-4Q, impairment loss of ¥2.3 billion related to Synergy Marketing, Inc.'s intangible assets is recorded in "Other Income and Expenses" in "Media Business".

Yahoo Japan Corporation Full Year Consolidated Statements of Income Trend (IFRSs)

Unit: Millions of Yen

Grand Total	Fiscal Year					% of Revenue	Year-on-Year	
	2014	2015	2016	2017	2018		Increase/Decrease	Change
Revenue	428,487	652,327	853,730	897,185	954,714	100.0%	57,528	+6.4%
Advertising	249,828	266,911	286,443	303,443	323,850	33.9%	20,406	+6.7%
Business Services	70,107	251,530	391,552	407,640	414,272	43.4%	6,631	+1.6%
Personal Services	108,551	133,885	175,733	185,735	215,088	22.5%	29,352	+15.8%
Others	-	-	-	365	1,503	0.2%	1,137	+311.2%
Intra-Company Revenue	-	-	-	-	-	n.a.	-	n.a.
Cost of Sales	85,501	247,372	373,513	382,467	408,912	42.8%	26,445	+6.9%
Selling, General and Administrative Expenses	145,774	239,653	277,430	339,573	406,581	42.6%	67,007	+19.7%
Other Income and Expenses	-	59,696	-10,736	10,665	1,308	0.1%	-9,356	-87.7%
Operating Income	197,212	224,997	192,049	185,810	140,528	14.7%	-45,281	-24.4%
Other Non-Operating Income and Expenses	9,413	270	477	6,321	383	0.0%	-5,937	-93.9%
Equity in Earnings (Losses) of Associates	1,672	1,317	947	1,045	-17,541	-1.8%	-18,587	-1,778.2%
Income before Income Taxes	208,298	226,585	193,475	193,177	123,370	12.9%	-69,806	-36.1%
Net Income	133,933	172,492	132,634	134,412	77,828	8.2%	-56,584	-42.1%
Net Income Attributable to Owners of the Parent	133,051	171,617	136,589	131,153	78,677	8.2%	-52,476	-40.0%
Operating Margin	46.0%	34.5%	22.5%	20.7%	14.7%	n.a.	-6.0%	n.a.
Ratio of Income before Income Taxes to Revenue	48.6%	34.7%	22.7%	21.5%	12.9%	n.a.	-8.6%	n.a.
Ratio of Net Income Attributable to Owners of the Parent to Revenue	31.1%	26.3%	16.0%	14.6%	8.2%	n.a.	-6.4%	n.a.

Media Business	Fiscal Year					% of Revenue	Year-on-Year	
	2014	2015	2016	2017	2018		Increase/Decrease	Change
Revenue	-	-	-	290,591	303,472	100.0%	12,881	+4.4%
Advertising	-	-	-	280,679	295,338	97.3%	14,659	+5.2%
Business Services	-	-	-	7,717	6,996	2.3%	-720	-9.3%
Personal Services	-	-	-	2,194	1,137	0.4%	-1,057	-48.2%
Intra-Company Revenue	-	-	-	-	-	n.a.	-	n.a.
Cost of Sales	-	-	-	58,614	69,773	23.0%	11,159	+19.0%
Selling, General and Administrative Expenses	-	-	-	75,974	90,300	29.8%	14,326	+18.9%
Other Income and Expenses	-	-	-	-	-2,379	-0.8%	-2,379	n.a.
Operating Income	-	-	-	156,002	141,018	46.5%	-14,983	-9.6%
Operating Margin	n.a.	n.a.	n.a.	53.7%	46.5%	n.a.	-7.2%	n.a.

Commerce Business	Fiscal Year					% of Revenue	Year-on-Year	
	2014	2015	2016	2017	2018		Increase/Decrease	Change
Revenue	-	-	-	592,082	649,632	100.0%	57,550	+9.7%
Advertising	-	-	-	24,064	30,103	4.6%	6,039	+25.1%
Business Services	-	-	-	381,504	402,017	61.9%	20,513	+5.4%
Personal Services	-	-	-	182,530	212,818	32.8%	30,288	+16.6%
Others	-	-	-	365	1,503	0.2%	1,137	+311.2%
Intra-Company Revenue	-	-	-	3,617	3,189	0.5%	-428	-11.9%
Cost of Sales	-	-	-	313,808	338,454	52.1%	24,646	+7.9%
Selling, General and Administrative Expenses	-	-	-	205,987	251,092	38.7%	45,104	+21.9%
Other Income and Expenses	-	-	-	10,659	-4,289	-0.7%	-14,949	-140.2%
Operating Income	-	-	-	82,945	55,795	8.6%	-27,149	-32.7%
Operating Margin	n.a.	n.a.	n.a.	14.0%	8.6%	n.a.	-5.4%	n.a.

Others	Fiscal Year					% of Revenue	Year-on-Year	
	2014	2015	2016	2017	2018		Increase/Decrease	Change
Revenue	-	-	-	23,327	9,908	100.0%	-13,419	-57.5%
Advertising	-	-	-	-	-	n.a.	-	n.a.
Business Services	-	-	-	18,973	5,258	53.1%	-13,715	-72.3%
Personal Services	-	-	-	1,010	1,131	11.4%	120	+12.0%
Intra-Company Revenue	-	-	-	3,343	3,518	35.5%	174	+5.2%
Cost of Sales	-	-	-	10,393	1,025	10.4%	-9,368	-90.1%
Selling, General and Administrative Expenses	-	-	-	9,368	6,634	67.0%	-2,733	-29.2%
Other Income and Expenses	-	-	-	-244	7,977	80.5%	8,222	n.a.
Operating Income	-	-	-	3,822	10,225	103.2%	6,403	+167.5%
Operating Margin	n.a.	n.a.	n.a.	16.4%	103.2%	n.a.	86.8%	n.a.

Adjustments	Fiscal Year					% of Revenue	Year-on-Year	
	2014	2015	2016	2017	2018		Increase/Decrease	Change
Revenue	-	-	-	-8,815	-8,299	n.a.	516	n.a.
Advertising	-	-	-	-1,299	-1,591	n.a.	-291	n.a.
Business Services	-	-	-	-554	-	n.a.	554	n.a.
Personal Services	-	-	-	-	-	n.a.	-	n.a.
Intra-Company Revenue	-	-	-	-6,961	-6,707	n.a.	253	n.a.
Cost of Sales	-	-	-	-349	-341	n.a.	8	n.a.
Selling, General and Administrative Expenses	-	-	-	48,242	58,553	n.a.	10,310	+21.4%
Other Income and Expenses	-	-	-	-250	-0	n.a.	250	n.a.
Operating Income	-	-	-	-56,959	-66,511	n.a.	-9,552	n.a.
Operating Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

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Note 5: In FY2017-1Q, insurance proceeds of ¥4.9 billion as a result of the fire incident at the logistics center of ASKUL Corporation is recorded in "Other Income and Expenses" in "Commerce Business".

Note 6: In FY2017-3Q, gain on ASKUL Corporation's sales of property and equipment of ¥3.5 billion is recorded in "Other Income and Expenses" in "Commerce Business".

Note 7: In FY2017-4Q, gain on forgiveness of debt of ¥1.7 billion as a result of the fire incident at the logistics center of ASKUL Corporation is recorded in "Other Income and Expenses" in "Commerce Business".

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Note 9: Investment profit/loss etc., of The Japan Net Bank, Limited is recorded in "Others" in "Commerce Business" revenue.

Note 10: In FY2018-1Q, gain in sales of shares of IDC Frontier Inc. of ¥7.9 billion is included in "Other Income and Expenses" in "Others".

Note 11: In FY2018-4Q, impairment loss of ¥3.6 billion related to the property and equipment and intangible assets of ASKUL Corporation's logistic center (AVC Hidaka) is recorded in "Other Income and Expenses" in "Commerce Business".

Note 12: In FY2018-4Q, impairment loss of ¥2.3 billion related to Synergy Marketing, Inc.'s intangible assets is recorded in "Other Income and Expenses" in "Media Business".