

Yahoo Japan Corporation FY2019/1Q Consolidated Statements of Income Trend (IFRSs)

Unit: Millions of Yen

| Grand Total | FY2018 | | | | FY2019 | % of Revenue | Quarter-on-Quarter | | Year-on-Year | |
|---|---------|---------|---------|---------|-----------|--------------|--------------------|---------|-------------------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | | Increase/Decrease | Change | Increase/Decrease | Change |
| Revenue | 231,855 | 233,163 | 242,571 | 247,123 | 238,634 | 100.0% | -8,488 | -3.4% | 6,779 | +2.9% |
| Advertising | 76,427 | 79,354 | 82,936 | 85,131 | 78,234 | 32.8% | -6,897 | -8.1% | 1,807 | +2.4% |
| Business Services | 101,780 | 99,192 | 105,660 | 107,639 | 106,498 | 44.6% | -1,140 | -1.1% | 4,717 | +4.6% |
| Personal Services | 52,968 | 53,304 | 55,494 | 53,320 | 53,638 | 22.5% | 317 | +0.6% | 669 | +1.3% |
| Others | 679 | 1,312 | -1,519 | 1,031 | 263 | 0.1% | -768 | -74.5% | -415 | -61.2% |
| Intra-Company Revenue | - | - | - | - | - | n.a. | - | n.a. | - | n.a. |
| Cost of Sales | 101,250 | 98,993 | 103,139 | 105,529 | 102,078 | 42.8% | -3,450 | -3.3% | 828 | +0.8% |
| Selling, General and Administrative Expenses | 90,998 | 98,642 | 102,864 | 114,075 | 100,391 | 42.1% | -13,684 | -12.0% | 9,393 | +10.3% |
| Other Income and Expenses | 7,977 | - | - | -6,668 | - | n.a. | 6,668 | n.a. | -7,977 | n.a. |
| Operating Income | 47,584 | 35,527 | 36,567 | 20,849 | 36,164 | 15.2% | 15,314 | +73.5% | -11,420 | -24.0% |
| Other Non-Operating Income and Expenses | 688 | 551 | -564 | -291 | *4 11,096 | 4.7% | 11,388 | n.a. | 10,407 | +1510.8% |
| Equity in Earnings (Losses) of Associates | 208 | -1,174 | -9,145 | -7,430 | -5,900 | -2.5% | 1,529 | n.a. | -6,109 | -2930.5% |
| Income before Income Taxes | 48,481 | 34,904 | 26,857 | 13,127 | 41,360 | 17.3% | 28,233 | +215.1% | -7,121 | -14.7% |
| Net Income | 32,647 | 22,794 | 14,646 | 7,740 | 27,837 | 11.7% | 20,097 | +259.7% | -4,809 | -14.7% |
| Net Income Attributable to Owners of the Parent | 32,673 | 22,473 | 15,024 | 8,505 | 27,379 | 11.5% | 18,873 | +221.9% | -5,294 | -16.2% |
| Operating Margin | 20.5% | 15.2% | 15.1% | 8.4% | 15.2% | n.a. | +6.7% | n.a. | -5.4% | n.a. |
| Ratio of Income before Income Taxes to Revenue | 20.9% | 15.0% | 11.1% | 5.3% | 17.3% | n.a. | +12.0% | n.a. | -3.6% | n.a. |
| Ratio of Net Income Attributable to Owners of the Parent to Revenue | 14.1% | 9.6% | 6.2% | 3.4% | 11.5% | n.a. | +8.0% | n.a. | -2.6% | n.a. |

| Commerce Business | FY2018 | | | | FY2019 | % of Revenue | Quarter-on-Quarter | | Year-on-Year | |
|--|---------|---------|---------|-----------|---------|--------------|--------------------|--------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | | Increase/Decrease | Change | Increase/Decrease | Change |
| Revenue | 158,467 | 157,837 | 166,154 | 167,173 | 165,826 | 100.0% | -1,347 | -0.8% | 7,358 | +4.6% |
| Advertising | 6,602 | 6,633 | 9,136 | 7,730 | 7,827 | 4.7% | 96 | +1.3% | 1,225 | +18.6% |
| Business Services | 98,166 | 96,369 | 102,708 | 104,773 | 104,313 | 62.9% | -460 | -0.4% | 6,146 | +6.3% |
| Personal Services | 52,198 | 52,780 | 54,999 | 52,840 | 52,808 | 31.8% | -32 | -0.1% | 610 | +1.2% |
| Others | 679 | 1,312 | -1,519 | 1,031 | 263 | 0.2% | -768 | -74.5% | -415 | -61.2% |
| Intra-Company Revenue | 820 | 740 | 830 | 796 | 612 | 0.4% | -184 | -23.1% | -207 | -25.3% |
| Cost of Sales | 84,075 | 81,227 | 85,732 | 87,419 | 85,697 | 51.7% | -1,721 | -2.0% | 1,622 | +1.9% |
| Selling, General and Administrative Expenses | 58,966 | 60,904 | 64,792 | 66,429 | 63,232 | 38.1% | -3,196 | -4.8% | 4,266 | +7.2% |
| Other Income and Expenses | - | - | - | *2 -4,289 | - | n.a. | 4,289 | n.a. | -0 | n.a. |
| Operating Income | 15,425 | 15,704 | 15,629 | 9,035 | 16,895 | 10.2% | 7,859 | +87.0% | 1,469 | +9.5% |
| Operating Margin | 9.7% | 10.0% | 9.4% | 5.4% | 10.2% | n.a. | +4.8% | n.a. | +0.5% | n.a. |

| Media Business | FY2018 | | | | FY2019 | % of Revenue | Quarter-on-Quarter | | Year-on-Year | |
|--|--------|--------|--------|-----------|--------|--------------|--------------------|--------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | | Increase/Decrease | Change | Increase/Decrease | Change |
| Revenue | 72,174 | 75,127 | 76,328 | 79,841 | 72,254 | 100.0% | -7,587 | -9.5% | 79 | +0.1% |
| Advertising | 70,139 | 73,087 | 74,364 | 77,746 | 70,623 | 97.7% | -7,123 | -9.2% | 484 | +0.7% |
| Business Services | 1,769 | 1,747 | 1,670 | 1,809 | 1,382 | 1.9% | -426 | -23.6% | -386 | -21.9% |
| Personal Services | 265 | 292 | 293 | 285 | 247 | 0.3% | -38 | -13.3% | -17 | -6.7% |
| Intra-Company Revenue | - | - | - | - | - | n.a. | - | n.a. | - | n.a. |
| Cost of Sales | 16,673 | 17,712 | 17,344 | 18,043 | 16,333 | 22.6% | -1,710 | -9.5% | -340 | -2.0% |
| Selling, General and Administrative Expenses | 18,754 | 22,097 | 22,530 | 26,918 | 20,988 | 29.0% | -5,929 | -22.0% | 2,233 | +11.9% |
| Other Income and Expenses | - | - | -0 | *3 -2,379 | - | n.a. | 2,379 | n.a. | - | n.a. |
| Operating Income | 36,745 | 35,317 | 36,454 | 32,501 | 34,932 | 48.3% | 2,431 | +7.5% | -1,813 | -4.9% |
| Operating Margin | 50.9% | 47.0% | 47.8% | 40.7% | 48.3% | n.a. | +7.6% | n.a. | -2.6% | n.a. |

| Others | FY2018 | | | | FY2019 | % of Revenue | Quarter-on-Quarter | | Year-on-Year | |
|--|----------|-------|-------|-------|--------|--------------|--------------------|---------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | | Increase/Decrease | Change | Increase/Decrease | Change |
| Revenue | 3,173 | 2,118 | 2,425 | 2,190 | 2,197 | 100.0% | 7 | +0.3% | -976 | -30.8% |
| Advertising | - | - | - | - | - | n.a. | - | n.a. | - | n.a. |
| Business Services | 1,845 | 1,074 | 1,281 | 1,056 | 803 | 36.5% | -253 | -24.0% | -1,042 | -56.5% |
| Personal Services | 504 | 230 | 202 | 194 | 581 | 26.5% | 387 | +199.6% | 76 | +15.2% |
| Intra-Company Revenue | 823 | 813 | 941 | 939 | 812 | 37.0% | -126 | -13.5% | -10 | -1.3% |
| Cost of Sales | 819 | 67 | 67 | 71 | 48 | 2.2% | -22 | -31.6% | -770 | -94.1% |
| Selling, General and Administrative Expenses | 1,411 | 1,426 | 1,971 | 1,825 | 1,947 | 88.6% | 122 | +6.7% | 536 | +38.0% |
| Other Income and Expenses | *1 7,977 | - | - | - | - | n.a. | - | n.a. | -7,977 | n.a. |
| Operating Income | 8,920 | 624 | 387 | 293 | 201 | 9.1% | -92 | -31.6% | -8,719 | -97.7% |
| Operating Margin | 281.1% | 29.5% | 16.0% | 13.4% | 9.1% | n.a. | -4.3% | n.a. | -271.9% | n.a. |

| Adjustments | FY2018 | | | | FY2019 | % of Revenue | Quarter-on-Quarter | | Year-on-Year | |
|--|---------|---------|---------|---------|---------|--------------|--------------------|--------|-------------------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | | Increase/Decrease | Change | Increase/Decrease | Change |
| Revenue | -1,959 | -1,920 | -2,337 | -2,081 | -1,642 | n.a. | 438 | n.a. | 316 | n.a. |
| Advertising | -314 | -366 | -564 | -346 | -217 | n.a. | 128 | n.a. | 97 | n.a. |
| Business Services | -0 | 0 | -0 | 0 | - | n.a. | -0 | n.a. | 0 | n.a. |
| Personal Services | -0 | 0 | - | - | - | n.a. | - | n.a. | 0 | n.a. |
| Intra-Company Revenue | -1,644 | -1,553 | -1,772 | -1,736 | -1,425 | n.a. | 310 | n.a. | 218 | n.a. |
| Cost of Sales | -318 | -13 | -4 | -4 | -0 | n.a. | 3 | n.a. | 317 | n.a. |
| Selling, General and Administrative Expenses | 11,865 | 14,213 | 13,571 | 18,903 | 14,222 | n.a. | -4,681 | -24.8% | 2,356 | +19.9% |
| Other Income and Expenses | -0 | - | 0 | - | - | n.a. | - | n.a. | 0 | n.a. |
| Operating Income | -13,507 | -16,119 | -15,903 | -20,981 | -15,864 | n.a. | 5,116 | n.a. | -2,357 | n.a. |
| Operating Margin | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |

Note 1: Adjustments figures represent inter-segment transaction and general corporate expenses not belonging to any reporting segment.

Note 2: 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 3: Investment profit/loss etc., of The Japan Net Bank, Limited is recorded in "Others" in "Commerce Business" revenue.

*1 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".

*2 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".

*3 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".

*4 In FY2019-1Q, gain on change in equity of PayPay Corporation of ¥10.8 billion is recorded in "Other Non-Operating Income and Expenses".