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Public Notice for Commencement of Tender Offer

To whom it may concern,

July 11, 2018
1-3, Kioicho, Chiyoda-ku, Tokyo
Yahoo Japan Corporation
President and Representative Director Kentaro Kawabe,

This is to notify you that, pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (the “Act”), Yahoo Japan Corporation (the “Company”) will implement a tender offer of listed share certificates, etc. by the issuer (the “Self-Tender Offer”) as follows.

1. Purpose of Tender Offer

The Company is aiming to achieve a medium- and long-term increase in its corporate value on a continuous basis, and is aware of the importance of making upfront investments in its services, capital investments, and capital and business alliances with an eye toward future growth. At the same time, the Company recognizes that, as a listed company, it has an obligation to reward its shareholders by providing its shareholder with investment returns. It is based on this basic policy, that the Company pays dividends on a continuous basis.

With regard to acquisition of its own shares, the Company is permitted under its Articles of Incorporation to acquire its own shares for flexible execution of its capital policy by a resolution of its board of directors pursuant to the provisions of Paragraph 2 of Article 165 in the Companies Act.

The Company was established in January 1996 as a joint venture between SoftBank Corp. (currently Softbank Group Corp.; “SBG”) and Yahoo! Inc. (currently Altaba Inc.; “ALT”) for the purpose of providing on-line search engine services in Japan. On April 1, 1996, SBG and ALT executed a joint venture agreement setting forth the Company’s management policies, etc. (the “Shareholders Agreement”), and, to date, have conducted the Company’s operations pursuant to the Shareholders Agreement.

As of the date of this public notice, SBG owns a total of 2,445,487,300 shares (shareholding ratio (Note 1): 42.95%) (Note 2) of the Company’s common shares through SBG’s wholly-owned subsidiaries, SoftBank Group Japan Corporation (former trade name: SoftBank Group International GK) (“SBGJ”) and SBBM Corporation (“SBBM”). SBG is the Company’s effective parent company based on control, and SBGJ is the Company’s other associated company and its largest shareholder. ALT owns a total of 1,977,282,200 shares (shareholding ratio: 34.73%) of the Company’s common shares through ALTABA INC.- DAIWA CM SINGAPORE LTD, the second largest shareholder of the Company, and is the Company’s other associated company.

(Note 1) “Shareholding ratio” is the ratio of the shares owned by an entity against the number of outstanding shares (5,694,069,615 shares), obtained by subtracting the number of

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treasury stock held by the Company as of June 18, 2018 (2,835,585 shares) (excluding the number of shares obtained through the purchase of shares less than one unit by the Company during the period from June 1, 2018 to June 18, 2018), from the total number of shares outstanding as of June 18, 2018 (5,696,905,200 shares) as disclosed in the Company's "Annual Securities Report for the 23rd fiscal year (April 1, 2017 through March 31, 2018)" submitted on June 18, 2018, (excluding the number of shares issued through the exercise of stock acquisition rights by the Company during the period from June 1, 2018 to June 18, 2018), rounded to the nearest hundredth (0.01) percentage point. The same applies wherever the shareholding ratio is used in this public notice.

(Note 2) As of the date of submission of this public notice, of the 2,445,487,300 the Company's common shares, SBGJ owns 2,071,926,400 shares (shareholding ratio: 36.39%), and SBBM owns 373,560,900 shares (shareholding ratio: 6.56%)

Against this backdrop, on February 27, 2018, ALT announced that it planned to sell the Company's common shares it holds.

Upon learning of ALT's announcement of its plan to sell the Company's common shares, the Company carefully studied counter-measures to this planned sale, taking into consideration the liquidity of the Company's common shares in the event the shares owned by ALT were sold in the market, the effect of downward pressure on the market price of these shares, and the Company's financial condition.

On the other hand, in February 2018, SoftBank Corp. ("SBKK"), in which SBG indirectly holds 99.99% of the voting rights through SBGJ, has begun preparations for the initial public offering of its shares. As part of these preparations and in order to achieve successful corporate management as an independent public entity, SBKK aims to further strengthen its collaboration with the Company as a key partner in its efforts to increase its corporate value. In order to further develop its partnership with the Company, SBKK has begun considering direct ownership of the Company's common shares as a method by which to achieve deeper connections at the capital level. Meanwhile, the Shareholders Agreement executed by and between SBG, SBGJ and SBBM on the one hand, and ALT, on the other hand, provided that two of the Company's directors are to be appointed by ALT, but after such announcement of intent of , the two directors appointed by ALT have not been able to attend the Company's board meetings, as insider trading regulations put them in a position of not being able to receive material non-public information (as defined in Paragraph 2 of Article 166 of the Act). Due to the fact that ALT was no longer a long-term business partner, and ALT's appointment of two directors to the board of the Company could have the effect of inhibiting SBKK and the Company from smoothly advancing their business collaboration, SBKK came to view that the termination of the Shareholders Agreement was a material issue requiring resolution. SBKK thus started to consider in detail the

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acquisition of a portion of the Company's common shares owned by ALT, as well as the aforementioned termination of the Shareholders Agreement, and consulted with SBG, a party to the Shareholders Agreement and holder of the right of first refusal of the Company's common shares under the Shareholders Agreement (in the event that one of the parties transfers the Company's common shares to a third party (including share transfers on the market), if the other party wishes, such right of first refusal regarding the Company's common shares entitles such other party to demand a transfer of the Company's common shares to itself on the same terms as those of the transfer of the Company's common shares from the party intending to transfer those Company's common shares to such third party), on the matter of the SBKK's acquisition of the Company's common shares owned by ALT. According to SBG, with SBG holding the right of first refusal under the Shareholders Agreement for sales of the Company's common shares by ALT, ALT and SBG had been unable to agree to a sale of the Company's common shares on terms agreeable to both parties. However, SBG subsequently expressed an opinion that it would cooperate with SBKK's acquisition of the Company's common shares as such an acquisition would lead to an increase in the corporate value of the SBG group (the group of companies in which SBG is the parent company; the same applies hereafter), as a whole. Thereafter, in early June 2018, SBKK conveyed its intent to acquire a part of the Company's common shares that ALT had announced it would sell. The Company also had discussions with SBKK in response to its intention to acquire the Company's common shares.

From SBG's perspective, in response to ALT's announced plan to sell the Company's common shares, the termination of the Shareholders Agreement would facilitate collaboration between SBKK and the Company, and thus the termination was in the best interests of the SBG group and, concurrent with the discussions described above, SBG had been negotiating for the termination of the Shareholders Agreement with ALT. As a result of these negotiations, in late June 2018, SBG obtained ALT's consent to terminate the Shareholders Agreement on the same date as the execution of the ALT Tender Agreement (defined below) based on SBKK's intent to acquire a part of the Company's common shares owned by ALT. According to SBG, there was no need to increase the number of the Company's common shares owned by it based on the current level of the SBG group's capital efficiency because the Company is already a consolidated subsidiary of SBG and SBG has been smoothly operating its group business.

In late June 2018, the Company came to a consensus with SBG and SBKK, respectively, that it would be reasonable to implement the Self-Tender Offer simultaneously with the third-party tender offer by SBKK, for the purposes of acquiring common shares of the Company held by ALT (the "Third Party Tender Offer") on the following grounds: (i) the Company had for some time been considering an acquisition of its own stock as one method of strengthening shareholder returns and improving capital efficiency, and when ALT announced its plan to sell the Company's common shares as described above, the Company needed to take action to respond to the decrease in liquidity of the Company's common

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shares in the event the Company's common shares owned by ALT were sold into the market and to mitigate the downward pressure on the market price of these common shares; (ii) the termination of the Shareholders Agreement between SBG, SBGJ and SBBM, on the one hand, and ALT, on the other hand, and SBKK's acquisition of a part of the Company's common shares owned by ALT would further strengthen the alliance between the Company and SBKK, and result in a more active pursuit of collaboration between the two companies, which is expected to contribute to further growth and development of both SBKK and the Company, and increase their respective corporate values going forward, (iii) by acquiring its own shares from SBGJ concurrently with SBKK acquisition of the Company's common shares from ALT, the Company would be able to maintain SBG's shareholding ratio of the Company's common shares at a certain level and maintain the Company's autonomy as a listed company while strengthening its alliance with SBKK; (iv) the Company has sufficient surplus cash and deposits to implement the Self-Tender Offer, even taking into consideration investments, etc. that might become necessary when implementing its growth strategy; (v) the Self-Tender Offer is a reasonable method for the Company to acquire its own shares from SBGJ from the standpoint of equality among shareholders and transaction transparency.

Subsequently, beginning in late June 2018, SBKK negotiated with ALT regarding the terms of the Third Party Tender Offer including both the number of shares tendered and the tender offer price, and according to the press release "Announcement of Commencement of Tender Offer by the Company for Shares of Yahoo Japan Corporation (Securities Code: 4689)" dated July 10, 2018 (the "SBKK Press Release"), SBKK executed a tender offer agreement dated July 10, 2018 with ALT (the "ALT Tender Agreement") providing that (i) the Third Party Tender Offer will be implemented at a tender offer price based on the closing price of the Company's common shares in the First Section of the Tokyo Stock Exchange, Inc. (the "TSE") on July 9, 2018, one business day before the announcement of the Third Party Tender Offer (the "Third Party Tender Offer Price"), and the number of common shares to be purchased will be for a maximum and minimum of 613,888,888 shares (shareholding ratio: 10.78%); and (ii) in the event SBKK conducts the Third Party Tender Offer, ALT will tender a part of the Company's common shares owned by ALT (613,888,888 shares, shareholding ratio: 10.78%), and resolved at its board of directors' meeting held on July 9, 2018, to entrust Ken Miyauchi, Representative Director, President and CEO of SBKK, with the sole discretion to decide as to whether to conduct the Third Party Tender Offer, which he in fact decided to conduct on July 10, 2018.

As announced by the press release "Announcement of Opinion on Tender Offer for the Company's Shares by SoftBank Corp., a subsidiary of our parent company, SoftBank Group KK" dated July 10, 2018, the Company also held a board of directors' meeting on the same day and resolved to express its opinion to support the Third Party Tender Offer. The Company also resolved that the Third Party Tender Offer is not implemented with an intention to delist the Company's common shares and that as both the Company and SBKK intend to maintain the listing of the Company's common shares after

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consummation of the Third Party Tender Offer, the decision regarding whether to accept the Third Party Tender Offer shall be left to each of the shareholders of the Company.

According to the SBKK Press Release, upon the execution of ALT Tender Agreement by and between SBKK and ALT, pursuant to a termination agreement dated July 10, 2018 (the “TERMINATION AGREEMENT”), SBKK separately agreed with ALT to the effect to terminate the Shareholders Agreement. Pursuant to the Termination Agreement, Arthur Chong and Alexi Wellman, who concurrently serve as officers of ALT, resigned as directors of the Company as of July 10, 2018. (For other details on the Third Party Tender Offer, please refer to each of the press releases noted above.)

Discussions continued after late June 2018 between the Company and SBGJ, the Company’s shareholder, regarding the Self-Tender Offer, and an agreement was reached with SBGJ that the purchase price, etc. for the Self-Tender Offer (“Self-Tender Offer Price”) will be the same as the Third Party Tender Offer Price, i.e. the closing price of the Company’s common shares in the First Section of the TSE on July 9, 2018, one business day before the July 10, 2018 announcement of the Third Party Tender Offer, taking into consideration: (i) the objective of strengthening the alliance between the Company and SBKK through SBKK's acquisition of the Company’s common shares from ALT, and at the same time implementing the Self-Tender Offer to keep SBG group’s shareholding ratio of the Company’s common shares at a certain level through the Company’s acquisition of its own shares from SBGJ; and (ii) avoiding unnecessary confusion among the Company’s shareholders by ensuring the two tender offers are set at the same price. The Company determined that through the acquisition of up to 611,111,111 shares of its treasury stock by the Self-Tender Offer at the Self-Tender Offer Price based on the market price of the Company’s common shares would contribute to accretions in earnings per share (EPS), return on equity (ROE) and other capital efficiency, and would also lead to profit returns to shareholders of the Company who continue to hold the Company’s common shares without participating in the Self-Tender Offer. By setting the Self-Tender Offer Price by applying a discount to the simple average price of the closing prices of the last one (1), three (3) and six (6) months prior to one business day before the above date of announcement of the Self-Tender Offer, the Company is reducing the outflow of its assets for the number of treasury stock it acquires, and also believes that the Self-Tender Offer is reasonable from the standpoint of respecting the interests of those shareholder who continue to hold the Company’s common shares without participating in the Self-Tender Offer.

In addition, the acquisition of its own shares by the Company from SBGJ is made on the condition that SBKK acquires the Company’s common shares from ALT through the Third Party Tender Offer. As such, the Company and SBGJ reached an agreement that (i) SBGJ’s tender to the Self-Tender Offer is subject to consummation of the Third Party Tender Offer; and (ii) the last day of the tender offer period, etc. for the Self-Tender Offer (the “Tender Offer Period”) will be set one business day after the last day of the tender offer period of the Third Party Tender Offer.

Upon consideration and discussions explained above, the Company resolved at a meeting of the

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board of directors held on July 10, 2018, the provisions of Paragraph 1 of Article 156 in the Companies Act which is applied *mutatis mutandis* pursuant to Paragraph 3 of Article 165 in the Companies Act and the provisions of the Company's Articles of Incorporation, to acquire its treasury stock and implement the Self-Tender Offer as the specific acquisition method of its treasury stock. It was also resolved that the Self-Tender Offer Price will be 360 yen, the closing price of the Company's common shares in the First Section of the TSE on July 9, 2018, which is one business day before the July 10, 2018, announcement of the Self-Tender Offer, and the maximum number of its own common shares to be purchased by the Self-Tender Offer was set at 611,111,111 shares, the same number as the number of the Shares to be Tendered (as defined below) (10.73 % of outstanding shares) taking into consideration the Company's financial soundness and stability. In addition, the Company has stated that it intends to set the maximum number of shares to be purchased by the Self-Tender Offer at 611,111,111 shares taking into consideration factors including: (i) the need to limit SBG group's shareholding ratio of the Company's common shares at a certain level in order to maintain the Company's autonomy as a listed company; and (ii) the amount of surplus cash and deposits held by the Company.

Masayoshi Son, Ken Miyauchi, and Kazuko Kimiwada, the directors of the Company, who concurrently serve as officers of SBG, SBGJ, SBKK and other SBG group companies, and Arthur Chong and Alexi Wellman, the directors of the Company, who concurrently serve as officers of ALT, did not participate in any way in the deliberations regarding expression of an opinion on the Self-Tender Offer and the Third Party Tender Offer (the "Transactions") conducted during the abovementioned board of directors meeting to avoid arbitrariness in the decision-making process, and they have not attended or participated in any discussions or negotiations with SBG, SBGJ, SBKK or ALT as a director of the Company to ensure fairness in the Transactions.

The Company has appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as its outside financial adviser and the law offices of Nakamura, Tsunoda & Matsumoto as its outside legal counsel, both of which are independent from SBG group and the Company, in order to ensure transparency and fairness in the Transactions.

In addition, in order to secure fairness of the Transactions, on July 9, 2018, the Company obtained from Tsuyoshi Nishimoto, attorney-at-law, and Taku Kawamoto, attorney-at-law, of Hibiya Park Law Offices, an outside professional possessing no conflicts of interest with SBG group and ALT nor any conflicts of interest with general shareholders, an opinion to the effect that the Transactions do not constitute disadvantageous treatment to minority shareholders of the Company (defined as shareholders of the Company other than SBG, its subsidiaries or ALT).

Funds required for the Self-Tender Offer are planned to be allocated from the Company's internal resources. The Company's liquidity on hand ("cash and cash equivalents") on a consolidated basis as of March 31, 2018 was approximately 868.3 billion yen, and even after taking into effect cash used in

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the Self-Tender Offer, the Company will still have sufficient liquidity on hand. Also, because a certain amount of the cash flow from its businesses is expected to accumulate, the Company believes it can maintain soundness and stability of its business operations and finances going forward. The Company plans to cancel without delay after the termination of the Third Party Tender Offer a large portion of the treasury stock it acquires through the Self-Tender Offer.

The Company executed a tender offer agreement by and between SBGJ, the Company's shareholder, dated July 10, 2018 (the "Self-Tender Offer Agreement") setting forth, inter alia, that in the event the Company conducts the Self-Tender Offer, SBGJ will tender 611,111,111 shares of the Company's common shares (the "Shares to be Tendered"), equivalent to 10.73% of the Company's issued and outstanding shares. The Self-Tender Offer Agreement stipulates that (i) it is a condition precedent to the Self-Tender Offer that the Third Party Tender Offer which will be made on the same day as the Self-Tender Offer is consummated and, (ii) in the event that the tender offer period of the Third Party Tender Offer is extended, the Tender Offer Period will be extended to the following business day of the last day of the extended tender offer period of the Third Party Tender Offer.

According to the SBKK Press Release, the ALT Tender Agreement stipulates that (I) ALT will tender a portion of the Company's common shares that it owns (number of shares owned: 613,888,888 shares; shareholding ratio: 10.78%) into the Third Party Tender Offer (Note), (II) ALT will not participate in the Self-Tender Offer for the Company's common shares it holds and (III) until the earlier of twelve (12) months from the date of the Third Party Tender Offer Agreement and the date that ALT's ownership interest in the Company falls below 5% of the Company's issued and outstanding common shares, SBKK will not, directly or indirectly, conduct, participate in, or agree to become a party to, any merger, share exchange, share transfer, company split, transfer of all or substantially all of the assets of the Company, issuance of shares, etc. for a favorable price or squeeze-out of shareholders of the Company, without the prior written consent of ALT (provided, however, that SBKK may (i) transfer the Company's common shares directly or indirectly held by SBKK through a self-tender offer conducted by the Company or acquisition by the Company of its own shares through ToSTNet; and (ii) directly or indirectly acquire additional Company's common shares), and (IV) SBKK will not cause its officers and subsidiaries, etc. to tender the Company's common shares owned by them into the Third Party Tender Offer. Furthermore, according to SBG, SBG, SBGJ and SBBM have agreed with ALT: (i) to terms similar to (III) above and (ii) that ALT will not, and will not cause their respective officers and subsidiaries, etc. to, tender the Company's common shares into the Third Party Tender Offer.

(Note) However, ALT may tender all of the Company's common shares owned by it into the Third Party Tender Offer so that, even if the Company's shareholders other than ALT accept the Third Party Tender Offer, it can sell the shares on a maximum pro rata basis. Furthermore, in the event that (i) it becomes a violation of applicable law to tender the Company's common shares into the Third Party Tender Offer, (ii)

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SBKK extends the Tender Offer Period without the prior written consent of ALT (other than any extension of the Tender Offer Period required by applicable law or in the event the Company has not yet obtained clearance under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade of Japan (Act No. 54 of 1947, as amended; the “Anti-Monopoly Act”) and SBKK extends the Tender Offer Period in order to obtain such clearance to the extent permitted by law), or SBKK amends or waives the terms and conditions of the Third Party Tender Offer in a manner adverse to ALT, or (iii) SBKK, SBG or any of their subsidiaries, etc. violates the ALT Tender Agreement or the Termination Agreement, then ALT will not have an obligation to tender the Company’s common shares.

In the event that SBKK purchases the maximum number of shares to be offered in the Third Party Tender Offer and the Company purchases all of the shares to be offered at the Self-Tender Offer, the SBG group's shareholding in the Company's common shares will amount to 48.17% of the total number of issued and outstanding shares.

(Note) “Shareholding ratio” is the ratio of the shares owned by an entity against the number of outstanding shares (5,082,958,504 shares), obtained by subtracting the total sum of the treasury stock (613,946,696 shares) of (i) the number of treasury stock held by the Company as of June 18, 2018 (2,835,585 shares) (excluding the number of shares obtained through the purchase of shares less than one unit by the Company during the period from June 1, 2018 to June 18, 2018) and (ii) the number of treasury stock the Company will acquire in the event that the Company purchases, etc. all the shares to be tendered in the Self-Tender Offer (611,111,111 shares), from the total number of shares outstanding as of June 18, 2018 (5,696,905,200 shares) as disclosed in the Company’s “Annual Securities Report for the 23rd fiscal year (April 1, 2017 through March 31, 2018)” submitted on June 18, 2018, (excluding the number of shares issued through the exercise of stock acquisition rights by the Company during the period from June 1, 2018 to June 18, 2018), rounded to the nearest hundredth (0.01) percentage point.

2. Contents, etc. of the resolution at the Board of Directors’ meeting based on the provisions of Paragraph 1 of Article 156 in the Companies Act which is applied *mutatis mutandis* pursuant to Paragraph 3 of Article 165 in the Companies Act

The type of shares to be acquired:
common share

The number of shares to be acquired:
611,111,211 shares (maximum number)

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The total amount of money that will be delivered in exchange for the acquisition of the shares:
220,000,035,960 yen (maximum amount)

The period during which the shares can be acquired:

From July 11, 2018 (Wednesday) to August 9, 2018 (Thursday)

3. Type, number and total amount of Listed Share Certificates that were already acquired based on said resolution

N/A

4. Content of Tender Offer

(1) Types of Listed Share Certificates to be purchased, etc.

common shares

(2) Period of Tender Offer, etc.

From July 11, 2018 (Wednesday) to
August 9, 2018 (Thursday) (21 business days)

(3) Price of Tender Offer, etc.

360 yen per share

(4) Number of Listed Share Certificates, etc. planned to be purchased

(Number of Shares Planned to be Purchased) 611,111,111 shares

(Note 1) Unless the total number of the share certificates, etc. offered to sell in the Tender Offer exceeds the minimum number of shares planned to be purchased (611,111,111 shares), all of the share certificates, etc. offered to sell will be purchased. If the total number of the share certificates, etc. offered to sell in the Tender Offer exceeds the number of shares planned to be purchased (611,111,111 shares), purchase, etc. of all or part of shares exceeding such number will not be made, and the Tender Offeror will implement the delivery and other settlement for purchase, etc. the share certificates, etc. on a pro rata basis as provided for in Article 27-13, Paragraph 5 of the Act applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the Act and Article 21 of the Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates, etc. by Issuer (Ministry of Finance Japan Ordinance No. 95 of 1994, as amended) (the "TOB Order").

(Note 2) Shares less than one unit are also subject to the Self-Tender Offer. In cases where holders of shares less than one unit demand that the Company purchase their shares less than one unit pursuant to the Companies Act, the Company may purchase its own shares

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during the Tender Offer Period according to the procedures of the relevant laws.

(Note 3) There is possibility that the stock acquisition rights of the Company are exercised by the end of the period of the purchase, etc. of the Self-Tender Offer, and the Company's common shares issued due to such exercise shall also be subject to the Self-Tender Offer.

(5) Method of the Acceptance of the Self-Tender Offer and Cancellation of Contracts

a. Tender Offer Agent

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
2-5-2, Marunouchi, Chiyoda-ku, Tokyo

- b. A person who accepts an offer for purchase, etc. or makes an offer for sales, etc. of Share Certificates, etc. for which the Self-Tender Offer is made (the "Accepting Shareholder, etc.") should fill out the "Form for the Acceptance of the Tender Offer" (the "Form") and submit such Form to the head office or any branches in Japan of the Tender Offer Agent by no later than 4:00 p.m. on the last day of the Tender Offer Period. Please bring your seal for acceptance of the tender offer.
- c. Unless you have an account with the Tender Offer Agent, you are required to open a new account. If you set up a new account with the Tender Offer Agent, you are required to report your individual number (or a corporate number in case of a corporation) and submit identification documents (Note 1). Even if you already have an account, you may be required to submit identification documents. Please ask the Tender Offer Agent regarding the details of the identification documents.
- d. For acceptance of the offer for sale of the Share Certificates, etc., the Share Certificates to be offered for sale must be recorded in the account which Accepting Shareholders, etc. set up with the Tender Offer Agent in the name of the Accepting Shareholders, etc. ("Accepting Shareholder Account"). As such, if the Share Certificates, etc. to be accepted are recorded into an account set up with any financial instruments business operator other than the Tender Offer Agent (including recording into a special account set up with Mitsubishi UFJ Trust and Banking Corporation as the Company's shareholder register administrator), you need to complete the transfer procedures into an Accepting Shareholder Account before accepting the tender offer. Please note that a certain number of days may be required for the transfer procedures. It is impossible to record any of the Share Certificates, etc. Offered to Sell which have once been transferred to an Accepting Shareholder Account, into the aforementioned special account for the second time.

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- e. An Acceptance of the tender offer through any financial instruments business operator other than the Tender Offer Agent will not be accepted in the Self-Tender Offer.
- f. For acceptance of the offer for sale, the Tender Offer Agent will deliver a “Receipt of the Acceptance of the Tender Offer” to the Accepting Shareholders, etc.
- g. Tax treatment for the Accepting Shareholder, etc. who is an individual shareholder is as follows: (Note 2)

(A) For the Accepting Shareholder, etc. that is residents of Japan and non-resident having permanent establishment in Japan

If the proceeds received through the acceptance of the Self-Tender Offer exceeds the amount of the portion corresponding to the shares of the capital, etc.(individual capital, etc. for corporations subject to consolidation) of the Tender Offeror which are the cause of delivery (in the case in which the purchase price per share exceeds the capital, etc. per share of the Tender Offeror), such excess amount shall be deemed to be dividend and be subject to taxation. In addition, the amount after deducting the deemed dividend from the proceeds received through the acceptance of the Self-Tender Offer shall, in principle, be treated as income from transfer of shares, etc. If there is no deemed dividend (in the case in which the purchase price per share is at or less than the capital, etc. per share of the Tender Offeror), the entire proceeds received shall be treated as income from transfer.

The withholding tax amount calculated by multiplying the amount deemed as the dividend amount by 20.315% (15.315% for income tax and special income tax for reconstruction under “the Special Measures Concerning the Securing of the Necessary Sources of Revenue to Implement Measures for Reconstruction from the Great East Japan Earthquake” (Act No. 117 of 2011, as amended) (the “Special Income Tax for Reconstruction”) and 5% for residents tax) shall be imposed on the deemed dividend (the residents tax at 5% shall not be imposed for the non-resident having permanent establishment in Japan). However, if the Accepting Shareholder, etc. falls under major shareholders (the “Major Shareholder(s)”, as prescribed in Paragraph 12 of Article 4-6-2 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Government Ordinance No. 43 of 1957, as amended), the withholding tax amount calculated by multiplying the amount deemed as the dividend amount by 20.42% (income tax and Special Income Tax for Reconstruction only) shall be imposed. In addition, the amount after deducting expenses associated with the purchase of said shares from the income earned from the proceeds through the transfer of shares shall, in principle, be subject to separate self-assessment taxation.

In case of applying for a tax exemption account for stock, etc. in the Self-Tender Offer, as prescribed in Article 37-14 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) (i.e., tax exemption for capital gains pertaining to a small balance for listed stock in a tax exemption

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account (the "Tax Exemption Account"), if the financial instruments business operator where said tax exemption account is placed is Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., the income arising from the transfer of shares through the Self-Tender Offer shall be treated as tax exempt. If said Tax Exemption Account is placed in financial instruments business operators other than Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., the aforementioned treatment may not apply.

(B) For the Accepting Shareholder, etc. that is non-resident having no permanent establishment in Japan

The withholding tax amount calculated by multiplying the amount deemed as the dividend amount by 15.315% (income tax and Special Income Tax for Reconstruction only) shall be imposed on the deemed dividend. If the Accepting Shareholder, etc. is a Major Shareholder, the withholding tax amount calculated by multiplying the amount deemed as the dividend amount by 20.42% (income tax and Special Income Tax for Reconstruction only) shall be imposed. In general, any income arising from said transfer of shares shall not be subject to taxation in Japan.

- h. In the case in which the Accepting Shareholder, etc. is a corporate shareholder, if the proceeds received through the acceptance of the Self-Tender Offer exceeds the amount of the portion corresponding to the shares of the capital, etc. of the Tender Offeror which are the cause of the delivery (in the case in which the purchase price per share exceeds the capital, etc. per share of the Tender Offeror), such excess amount shall be deemed to be dividend and the withholding tax amount (income tax and Special Income Tax for Reconstruction only) calculated by such excess amount multiplying by 15.315% shall be imposed. (Note 2)
- i. Of foreign shareholders, etc. (meaning shareholders that reside in countries prescribed in the applicable tax treaties (including corporate shareholders); the same shall apply hereinafter), those shareholders who desire to be subject to the reduction or exemption of the income tax and Special Income Tax for Reconstruction on said deemed dividend in accordance with the applicable tax treaty are requested to notify the Tender Offer Agent that he/she intends to submit a notification regarding the tax treaty by no later than August 9, 2018 and submit to the Tender Offer Agent said notification by no later than the business day immediately preceding the commencement date of settlement (August 30, 2018). (Note 2)
- j. Shareholders that reside outside Japan (including corporate shareholders) (the "Non-Resident Shareholders") are requested to make an Acceptance of the Tender Offer through their standing proxies residing in Japan. In addition, identification documents (Note 1) are necessary.

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(Note 1) Identification Documents

<Individuals>

Please submit any of the documents from the documents listed in A through C below:

A	B	C
Individual number card (both sides) (The front side will be used to verify the address, etc.)	(Individual number) Notification card + Documents for verifying the address, etc.) (Please submit one of the documents listed in A below, or two of the documents listed in B and C below.)	A copy of resident's card or certificate of entry in the resident's card (including individual number) + Documents for verifying the address, etc. (Please submit one of the documents listed in A or B below.)

[Documents for verifying the address, etc.]

A	<ul style="list-style-type: none"> • Driver's license, certificate of driving history • Passport • Residential basic book card (with a photo) • Medical treatment and education handbook • Physical disability certificate • Residence card or special permanent resident certificate
B	<ul style="list-style-type: none"> • A type of health insurance card (indicating address) • A national pension book • A maternity and child health book
C	<ul style="list-style-type: none"> • Certificate of seal registration* • A copy of resident's card or certificate of entry in the resident's card*

* Those documents marked with * must be issued within six (6) months.

<Corporations>

Please submit any of the documents from the documents listed in A through C below:

A	Documents • Notice of Allocation of Corporate Number
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[Translation]

verifying corporate number	<ul style="list-style-type: none"> Printed documents indicating corporate number*
B . Identification documents for corporations	<ul style="list-style-type: none"> Certificate of registered matters (commercial register, extract of commercial register, etc.)* Documents issued by a government authority, etc. (which are issued within six (6) months or currently effective and by which the name and the location of the head office or principal business office and a description of business can be confirmed)
C . Identification documents for the person in charge of transaction	<ul style="list-style-type: none"> The front side of individual number card or one of the documents listed in A of the documents for verifying the address, etc. for <Individuals> above Two of the documents listed in B of the documents for verifying the address, etc. for <Individuals> above or one of each of the documents listed in B and C of the documents for verifying the address, etc. for <Individuals> above (total two documents) One of the documents listed in B and C of the documents for verifying the address, etc. for <Individuals> above (note) <p>(Note) The identity verification process shall be deemed completed upon receipt of “registered mail, etc. requiring no forwarding”.</p> <p>Please note that the transaction may be commenced only after completion of the identity verification.</p>

* Those documents marked with * must be issued within six (6) months.

< Non-Resident Shareholders.>

For foreign shareholders (excluding residents), corporations having the head office or principal business office in foreign countries, please submit identification documents equivalent to identification documents for residents of Japan which are issued by a foreign government or competent international organization recognized by the Japanese government, or any other similar documents.

(Note 2) Each shareholder should consult his or her own licensed tax accountant or other expert with respect to any specific questions regarding tax consequences and is responsible for his or her own decisions.

(6) Name and Address of Head Offices of Financial Instruments Business Operator and Banks, etc. responsible for Settlement of Purchase, etc.

[Translation]

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
2-5-2, Marunouchi, Chiyoda-ku, Tokyo

(7) Commencement Date of Settlement August 31, 2018 (Friday)

(8) Method and Place of Settlement

A notice of Purchase, etc. through the Self-Tender Offer shall be mailed to the addresses of the Accepting Shareholders, etc. (or the addresses or locations of their standing proxies in the case of Non-Resident Shareholders) without delay after the expiry of the Tender Offer Period.

Payment for the Purchase will be made in cash. Under the instructions of the Accepting Shareholders, etc. (their standing proxies in the case of Non-Resident Shareholders), the Tender Offer Agent will remit payment for the Share Certificates, etc. to be purchased after deducting applicable withholding taxes (Note) into the location instructed by the Accepting Shareholders, etc. (or the standing proxies in the case of Non-Resident Shareholders, etc.) without delay on or after the commencement date of settlement.

(Note) With regard to taxation on shares purchased through Self-Tender Offer, please refer to tax treatment in the event that a Self-Tender Offer is made as set forth in g. through i. of “(5) Method of the Acceptance of the Self-Tender Offer and Cancellation of Contracts” above.

(9) Method of Returning Listed Share Certificates, etc.

In the event that all or any part of the share certificates, etc. offered to sell are not purchased pursuant to the terms and conditions mentioned in “a. Conditions set forth in Article 27-13, Paragraph 4, Item 2 of the Act as applied *mutatis mutandis* pursuant to Article 27-22-2, Paragraph 2 of the Act and the Description thereof” or “b. Method of Disclosure of Withdrawal, etc. of the Tender Offer” of “(10) Other Conditions and Methods of Purchase, etc.” below, the share certificates, etc. to be returned will be returned by their record being restored to the status immediately prior to the acceptance of the tender offer promptly on or after the date two business days after the last day of the Tender Offer Period (or the date of withdrawal, etc. in the event of withdrawal, etc. of the Self-Tender Offer).

(10) Other Conditions and Methods of Purchase, etc.

a. Conditions set forth in Article 27-13, Paragraph 4, Item 2 of the Act as applied *mutatis mutandis* pursuant to Article 27-22-2, Paragraph 2 of the Act and the Description thereof

Unless the total number of the share certificates, etc. offered to sell in the Self-Tender Offer

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exceeds the number of shares planned to be purchased (611,111,111 shares), all of the share certificates, etc. offered to sell will be purchased. If the total number of the share certificates, etc. offered to sell in the Self-Tender Offer exceeds the number of shares planned to be purchased (611,111,111 shares), purchase, etc. of all or part of shares exceeding such number will not be made, and the Tender Offeror will implement the delivery and other settlement for purchase, etc. of the share certificates, etc. on a *pro rata* basis as provided for in Paragraph 5 of Article 27-13 of the Act as applied *mutatis mutandis* pursuant to Paragraph 2 of Article 27-22-2 of the Act and Article 21 of the TOB Order (if the number of share certificates, etc. offered to sell contains shares less than one unit (100 shares), the maximum number of the shares planned to be purchased, which is calculated on a *pro rata* basis, will be the number of the share certificates, etc. offered to sell).

If the total of the number of the shares to be purchased from each Accepting Shareholder, etc. calculated by rounding off the number of shares constituting less than one unit resulting from the calculation on a *pro rata* basis is less than the maximum number of shares planned to be purchased, the Tender Offeror will purchase one unit of share certificates, etc. offered to sell from each Accepting Shareholder, etc. beginning with Accepting Shareholders, etc. with the largest number of fractional shares that were rounded down, until the total number of shares to be purchased exceeds the maximum number of shares to be purchased (if purchase, etc. of one additional unit exceeds the number of the share certificates, etc. offered to sell, the purchase, etc. will be up to the number of the share certificates, etc. offered to sell). However, if the maximum number of shares to be purchased is exceeded as a result of making purchase, etc. via this method from all of the Accepting Shareholders, etc. with the same number of rounded-off fractional shares, shareholders subject to such purchase, etc. will be determined by a random drawing among said shareholders to the extent that the number of shares to be purchased does not fall below the maximum number of shares to be purchased.

If the total number of shares to be purchased from each Accepting Shareholder, etc. calculated by rounding off the number of shares constituting less than one unit resulting from the calculation on a *pro rata* basis, is more than the maximum number of shares to be purchased, the Tender Offeror will reduce, by one unit, the purchase from each Accepting Shareholder, etc. beginning with Accepting Shareholders, etc. with the largest number of shares rounded up to a unit, to the extent that the number of shares to be purchased does not fall below the maximum number of shares to be purchased (if the number of shares to be purchased, as calculated on a *pro rata* basis, contains a portion of shares less than one unit, the purchase will be reduced by that amount). However, if the maximum number of shares to be purchased is not reached as a result of reducing purchases via this method from all of the Accepting Shareholders, etc. with the same number of fractional shares raised to a unit, shareholders subject to such reduction will be determined by a random drawing among said shareholders to the extent that the number of shares to be purchased does not fall below the maximum number of shares to be purchased.

b. Method of Disclosure of Withdrawal, etc. of the Tender Offer

The Company may make withdraw, etc. of the Self-Tender Offer pursuant to the *proviso* of Paragraph 1 of Article 27-11 of the Act as applied *mutatis mutandis* pursuant to Article 27-22-2, Paragraph 2 of the Act. In such case, the Company shall give public notice electronically, and then post a notice in The Nihon Keizai Shimbun that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Company shall make a public announcement pursuant to Article 11 of the TOB Order and give public notice forthwith.

c. Matters concerning the Right of Cancellation of the Contracts of Accepting Shareholders, etc.

Accepting Shareholders, etc. may cancel a contract to the tender offer at any time during the Tender Offer Period. In cases of canceling an acceptance to tender, “Receipt of the Acceptance of the Tender Offer” and a cancellation notice stating that an Accepting Shareholder, etc. cancels his/her acceptance to Self-Tender Offer (the “Cancellation Notice”) must be delivered, or sent to the head office of branch of the Tender Offer Agent by no later than 4:00 p.m. on the last day of the Tender Offer Period. Cancellation of the contract shall take effect only when the Cancellation Notice is delivered to or arrives at the Tender Offer Agent. Please note that the Cancellation Notice, if sent, must be received by the Tender Offer Agent no later than 4:00 p.m. on the last day of the Tender Offer Period. No compensation for damages or penalty payments shall be claimed against any Accepting Shareholders, etc. by the Company in the event that the contract is cancelled by an Accepting Shareholder. The expenses required for returning the share certificates, etc. offered to sell shall be borne by the Company.

d. Method of Disclosure if the Terms etc. of the Purchase etc. are Changed

During the Tender Offer Period, except as prohibited pursuant to Article 27-6, Paragraph 1 of the Act as applied *mutatis mutandis* pursuant to Article 27-22-2, Paragraph 2 of the Act, the Company may change the terms, etc. of the Tender Offer. In such case, the Company shall give public notice electronically and then post a notice in The Nihon Keizai Shimbun that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Company shall make a public announcement pursuant to Article 11 of the TOB Order and give public notice forthwith. If any change in the terms, etc. of the Tender Offer is made, the Company shall make purchase, etc. of any and all share certificates, etc. offered to sell in accordance with the amended terms, etc., even if such share certificates etc. were tendered prior to such public notice.

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e. Method of Disclosure if an Amendment Statement is Filed

If the Company files an amendment statement with the Director-General of the Kanto Local Finance Bureau, the Company shall forthwith make a public announcement of the details thereof to the extent relevant to the details of the public notice of commencement of the Tender Offer, in accordance with the method set forth in Article 11 of the TOB Order. The Company shall also forthwith amend the tender offer statement, and deliver the amended tender offer statement to the Accepting Shareholders, etc. who have already received the tender offer statement; provided, however, that, if the amendments are small, the Company shall instead prepare a document stating the reason(s) for the amendments, the matters amended and the details of the description after the amendment and deliver said document to the Accepting Shareholders, etc.

f. Method of Disclosure of Results of the Tender Offer

The Company shall make a public announcement regarding the results of the Self-Tender Offer, in accordance with the methods provided for in Article 14-3-4, Paragraph 6 and Article 9-4 of the Enforcement Order of the Financial Instruments and Exchange Act (Government Ordinance No. 321 of 1965, as amended) and Article 19-2 of the TOB Order, on the day following the last day of the Tender Offer Period.

g. Others

(i) The Company has entered into the Tender Offer Agreement with SBGJ as of July 10, 2018. For details, please see “1. Purpose of the Tender Offer.” above.

(ii) Matters concerning transactions with controlling shareholders

(A) Applicability of transactions with controlling shareholders and status of conformance with the policy on measures to protect minority shareholders

As SBG is the parent company which owns 42.95% of the total number of issued and outstanding shares (excluding treasury stock) of the Company (as of March 31, 2018), and SBGJ is a subsidiary of SBG, acquisition of the Company’s own shares from SBGJ through the Self-Tender Offer falls under transactions with controlling shareholders as set forth in the Securities Listing Regulations of the TSE.

The Company formulated “Rules regarding proper practices in transactions and business between the Company and its parent company, subsidiaries, and affiliates.” The Company has clearly stipulated

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that it prohibits transactions with the parent company, etc. that are inappropriately advantageous or disadvantageous to either side in comparison with third-party transactions or similar transactions. The Company also prohibits transactions for which the sole purpose is to transfer profit, loss or risk. The Company has made efforts to maintain fair and appropriate transactions.

In acquiring the treasury shares from SBGJ through the Self-Tender Offer, the Company determines that it has taken the measures set forth below from the perspective of protection of minority shareholders, and decided said acquisition through the fair and appropriate procedures and that it conforms to the aforementioned rules.

(B) Measures to ensure the fairness of the Self-Tender Offer and avoid conflicts of interest

With regard to a specific method for acquisition of treasury shares, the Company shall, as a result of close consideration from the perspective of equality among shareholders and transparency of transactions, implement the Self-Tender Offer by a tender offer method which ensures an opportunity to accept it with a half eye on the trend of the market price upon provision of certain examination period to shareholders other than SBGJ.

Furthermore, since, as Masayoshi Son, Ken Miyauchi and Kazuko Kimiwada, the directors of the Company, who concurrently serve as officers of SBG, SBGJ, SBKK and other SBG group companies, they have not participated in any discussions and resolutions with regard to the Self-Tender Offer at meetings of the board of directors in light of excluding arbitrariness in the decision-making process of examination and decision of the Self-Tender Offer, nor in any consultations and negotiations with SBGJ in the Company's position, the independence of such decision has been ensured.

The Company passed unanimously the resolution of the implementation of the Self-Tender Offer at a meeting of the board of directors held on July 10, 2018 in which all 4 directors other than Masayoshi Son, Ken Miyauchi and Kazuko Kimiwada who have not participated in discussions and resolutions with regard to the Self-Tender Offer for the aforementioned reason as well as Arthur Chong and Alexi Wellman, who concurrently serve as officers of ALT. In addition, as described in "(C) Outline of the opinion, provided by the party having no conflict of interest with controlling shareholders, on the matter that the said transactions, etc. will not constitute disadvantageous treatment to minority shareholders" below, in order to ensure the fairness of the Self-Tender Offer, on July 9, 2018, the Company obtained from Tsuyoshi Nishimoto, attorney-at-law, and Taku Kawamoto, attorney-at-law,

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of Hibiya Park Law Offices, as outside counsel possessing no conflicts of interest with SBG group, ALT or the Company, nor any conflicts of interest with general shareholders, an opinion to the effect that the attorneys determined that the Self-Tender Offer does not constitute disadvantageous treatment to minority shareholders.

(C) Outline of the opinion, provided by the party having no conflict of interest with controlling shareholders, on the matter that the said transactions, etc. will not constitute disadvantageous treatment to minority shareholders

The Company consulted Tsuyoshi Nishimoto, attorney-at-law, and Taku Kawamoto, attorney-at-law, of Hibiya Park Law Offices, as outside counsel possessing no conflicts of interest with SBG Group, ALT or the Company, nor any conflicts of interest with general shareholders, regarding: (I) the legitimacy of the Transactions' purpose; (II) the adequacy of the Transactions' procedures; (III) the validity of the Transactions' terms and conditions (including the Third Party Tender Offer Price and the Self-Tender Offer Price); and (IV) whether the decision to enter the Transactions would disadvantage minority shareholders.

After receiving from the Company explanations regarding the purpose and history of the Transactions, the method used to determine the purchase price and other terms and conditions, and adequacy and fairness, etc. of the decision-making process of the Company on the Transactions, the aforementioned attorneys examined the Transactions.

As a result of this examination, the Company obtained an opinion from the aforementioned attorneys on July 9, 2018 to the effect that, taking into consideration that: (i) the Transactions are deemed to be justifiable, as its purpose is to aim for the improvement of the corporate value of the Company by increasing its business competitiveness by means of the strengthening of collaboration with the Tender Offeror while dealing with ALT's planned sale; (ii) the procedures for the Transactions are deemed to be appropriate, as the legality of the procedures for the Transactions is ensured, and in addition, reasonable measures to avoid any conflict of interest, including the non-participation of any special interested person at the resolution, deliberation, etc. of the Transactions at the board of directors' meeting, have been taken and the acquisition of treasury shares was performed by means of a tender offer which ensures the opportunities for minority shareholders to accept the tender offer after making consideration for a certain period with watching the movement of the market prices; (iii) there is validity in the purchase price of the Transactions, for in addition to the fact that the Tender

[Translation]

Offer Price was set by negotiations between independent parties, the Self-Tender Offer Price was also set at the same price based on the Tender Offer Price and the Self-Tender Offer Price was set by applying a certain discount from the average market prices during a certain period in the past in order to limit asset outflows as much as possible and is thus not unreasonable from the standpoint of the Company's finances; and (iv) the conditions for the Transactions are deemed to be appropriate, as the conditions other than the Third Party Tender Offer Price and the Self-Tender Offer Price are deemed not to be detriment to minority shareholders, etc., the attorneys determined that the Transactions will not constitute disadvantageous treatment to minority shareholders of the Company.

5. Places in which the Tender Offer Registration Statement is available for public inspection

Yahoo Japan Corporation

(1-3, Kioicho, Chiyoda-ku, Tokyo)

The Tokyo Stock Exchange, Inc.

(2-1, Nihonbashikabutocho, Chuo-ku Tokyo)

End