

July 13, 2018

To whom it may concern

Yahoo Japan Corporation  
Kentaro Kawabe  
President and CEO  
Stock code: 4689

**Notification of Absorption-type Merger (Simplified, Short-form Merger)  
of Consolidated Subsidiary, Wordleaf Corporation**

Yahoo Japan Corporation (hereinafter the “Company”) has concluded an agreement to undergo an absorption-type merger (hereinafter the “Merger”) with its wholly owned subsidiary Wordleaf Corporation (hereinafter “Wordleaf”) effective October 1, 2018 (planned). Details are as follows.

Since the Merger is a simplified absorption-type merger of a wholly owned subsidiary, certain disclosure items and details are omitted.

1. Purpose of Merger

In March 2013, the Company established and consolidated Wordleaf in order to contribute to solving of users’ problems through clear communication of news.

The Company has decided to conduct this Merger with the aim to efficiently expand, not only its media business in its group, but all of its businesses in an integrated manner.

2. Outline of Merger

(1) Merger schedule

Approval of merger	July 13, 2018
Signing of merger agreement	July 13, 2018
Effective date of merger	October 1, 2018 (Plan)

※Neither of the companies shall hold shareholders meetings for approval of the merger agreement, since the Merger is a simplified merger prescribed in Article 796, Paragraph 2 of the Companies Act for the Company and a short form merger prescribed in Article 784, Paragraph 1 of the Companies Act for Wordleaf.

(2) Merger method

Absorption-type merger with the Company being the surviving company. Wordleaf will be dissolved.

(3) Details of allocations related to the Merger

Since the Company owns 100% of the shares of Wordleaf, there will be no new share issuance, capital increase related to the Merger, or any cash compensation.

(4) Treatment of new share subscription rights or bonds with new share subscription rights of the dissolving company

Wordleaf has not issued any of the abovementioned rights or bonds.

3. Outline of Merging Companies (as of March 31, 2018)

	Surviving Company	Dissolving Company
(1) Name	Yahoo Japan Corporation	Wordleaf Corporation
(2) Head office	1-3 Kioicho, Chiyoda-ku, Tokyo	1-3 Kioicho, Chiyoda-ku, Tokyo
(3) Name and title of representative	President and Representative Director Kentaro Kawabe	Representative Director Yuji Nozaki
(4) Main business	Internet advertising business E-commerce business Membership services business etc.	Internet media business
(5) Paid-in capital	JPY 8,737 million	JPY 25 million
(6) Establishment	January 31, 1996	March 29, 2013
(7) No. of shares issued	5,696,866,300 shares	1,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratio	SoftBank Group International GK 36.4% AL TABA INC. -DAIWA CM SINGAPORE LTD 35.6%	Yahoo Japan Corporation 100.00%
(10) Performance and financial position in the immediately preceding fiscal year		
	Yahoo Japan Corporation (Consolidated) Fiscal year ended March 31, 2018	Wordleaf Corporation (Non-consolidated) Fiscal year ended March 31, 2018
Total equity (Net assets)	JPY 1,121,887 million	JPY 153 million
Total assets	JPY 2,516,633 million	JPY 170 million
Equity attributable to owners of the parent per share (Net assets per share)	JPY 177.97	JPY 153,440.07

Revenue	JPY897,185 million	JPY 170 million
Operating income	JPY185,810 million	JPY 33 million
Ordinary income	—	JPY 33 million
Income before income taxes	JPY193,177 million	—
Net income attributable to owners of the parent (Net income)	JPY131,153 million	JPY 21 million
Basic earnings per share (Net income per share)	JPY23.04	JPY21,771.51

Note 1: (3) Name and title of representative are as of June 25, 2018.

Note 2: On June 15, 2018, SoftBank International GK changed its name to SoftBank Group Japan Corporation.

Note 3: The Company adopts International Financial Reporting Standards (IFRSs) while Wordleaf adopts Generally Accepted Accounting Standards in Japan (JGAAP). Items where terminology differs between IFRSs and JGAAP are presented together, with JGAAP shown in parenthesis.

### 3. Status Following the Merger

As a result of this Merger, there will be no change in the basic items regarding the Company, such as name, head office location, name and title of representative, main business, paid-in capital, and fiscal year end.

### 4. Future Prospects

Since this is an absorption-type merger of a consolidated subsidiary, the Merger is not expected to have a material impact on the consolidated and non-consolidated performance of the Company.

Reference: The Company's Actual Consolidated Performance for the Full Year in FY2017

(JPY million)

	Revenue	Operating income	Income before income taxes	Net income attributable to owners of the parent
Actual performance (Year ended March 31, 2018)	897,185	185,810	193,177	131,153

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