

July 27, 2018

To whom it may concern

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

### Notification Regarding Change in Specified Subsidiaries

In its board meeting held today, Yahoo Japan Corporation (hereinafter the “Company”) has resolved to establish YJ3 Investment Partnership (hereinafter “YJ3”) together with the Company’s wholly owned subsidiary, YJ Capital Inc. (hereinafter “YJ Capital”) and to invest in YJ3. Details are as follows.

#### 1. Reason for the Change in Specified Subsidiaries

Considering the performance of YJ2 Investment Partnership to which the Company has invested in November 2014, the Company has decided to invest in the establishment of YJ3.

The total investment in YJ3 is planned to exceed 10% of the Company’s paid-in capital. As a result, YJ3 is determined to be a specified subsidiary of the Company.

#### 2. Outline of the Specified Subsidiary Subject to Change

(1) Name	YJ3 Investment Partnership	
(2) Head office	1-3 Kioicho, Chiyoda-ku, Tokyo	
(3) Representative	Managing partner, YJ Capital Inc. CEO Shinichiro Hori	
(4) Main business	Purchase and holding of marketable securities and equity investments	
(5) Establishment	Early September, 2018	
(6) Ownership ratio	Yahoo Japan Corporation: 99%, YJ Capital Inc.: 1%	
(7) Paid-in investment	¥20 billion (Late August, 2018)	
(8) Relationship with the Company	Capital ties	The Company will have a 99% stake, with YJ Capital holding the remaining 1%.
	Personnel	The Company dispatches two directors to YJ

	ties	Capital, the managing partner.
	Business ties	There will be no direct business ties between the Company and YJ3. YJ Capital receives compensation for management services from the Company.

### 3. Investment Stake and Proportion of Total Investment of the Company in This Specified Subsidiary Before and After Change

(1) The Company's investment stake in this specified subsidiary (investment units)

Before change: —

After change: 200 investment units

(The Company's investment stake, 198 units; investment amount ¥19,800 million)

(YJ Capital's investment stake, 2 units; investment amount ¥200 million)

(2) The Company's proportion of total investment in this specified subsidiary

Before change: —

After change: 100%

(The Company's proportion: 99%)

(YJ Capital's proportion: 1%)

### 4. Date of Change

Early September, 2018 (plan)

### 5. Outlook

The effect of this investment on the Company's consolidated and non-consolidated performances is expected to be minor.

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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