



**Yahoo Japan Corporation**  
**FY2013-3Q Business Results**  
**(Oct.-Dec. 2013)**

**January 29, 2014**

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Statements made at the meeting or included in the documents that are not historical facts are forward-looking statements about the future performance of Yahoo Japan Corporation and its consolidated subsidiaries and affiliates.

The Company cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to, the items mentioned in “Risk Factors” in “Results for the Fiscal Year and the Three Months ended March 31, 2013.”

The unauthorized use of the information or the data in this document is not permitted.

# FY2013-3Q Financial Highlights

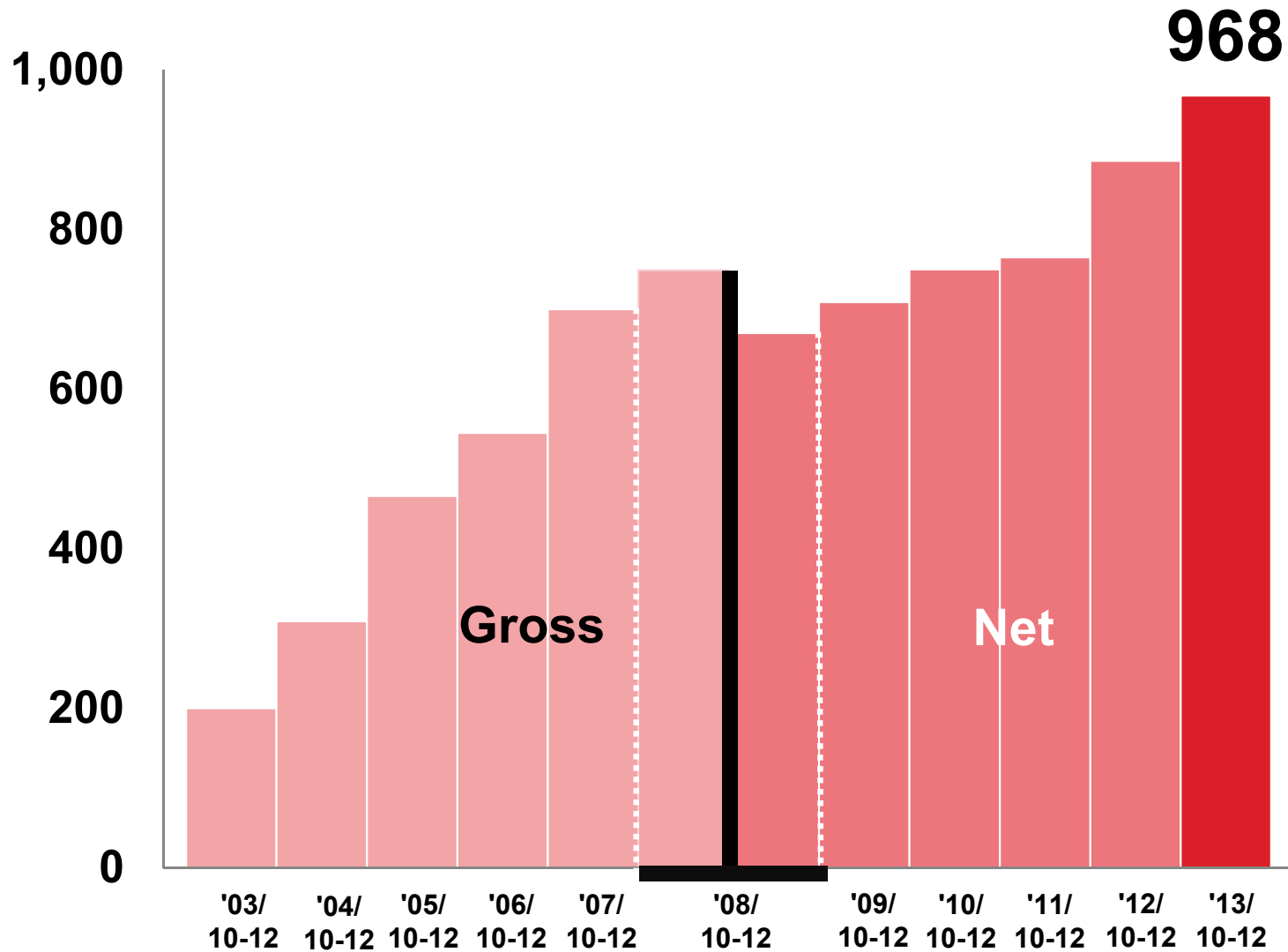
Profits decreased YoY temporarily  
due to our new e-commerce strategies.

(¥100M)

	2012-3Q	2013-3Q	YoY Change	Change Contributors
<b>Revenue</b>	<b>886</b>	<b>968</b>	<b>9.3%</b>	<ul style="list-style-type: none"> <li>• Advertising revenue grew.</li> <li>• Yahoo! Premium membership revenue increased.</li> <li>• Growth trend slowed due to our new e-commerce strategies.</li> </ul>
<b>Operating Income</b>	<b>499</b>	<b>492</b>	<b>-1.5%</b>	<ul style="list-style-type: none"> <li>• Cost increased due to our new e-commerce strategies.</li> </ul>
<b>Ordinary Income</b>	<b>500</b>	<b>495</b>	<b>-1.1%</b>	-
<b>Quarterly Net Income</b>	<b>309</b>	<b>305</b>	<b>-1.4%</b>	-

# Quarterly Revenue

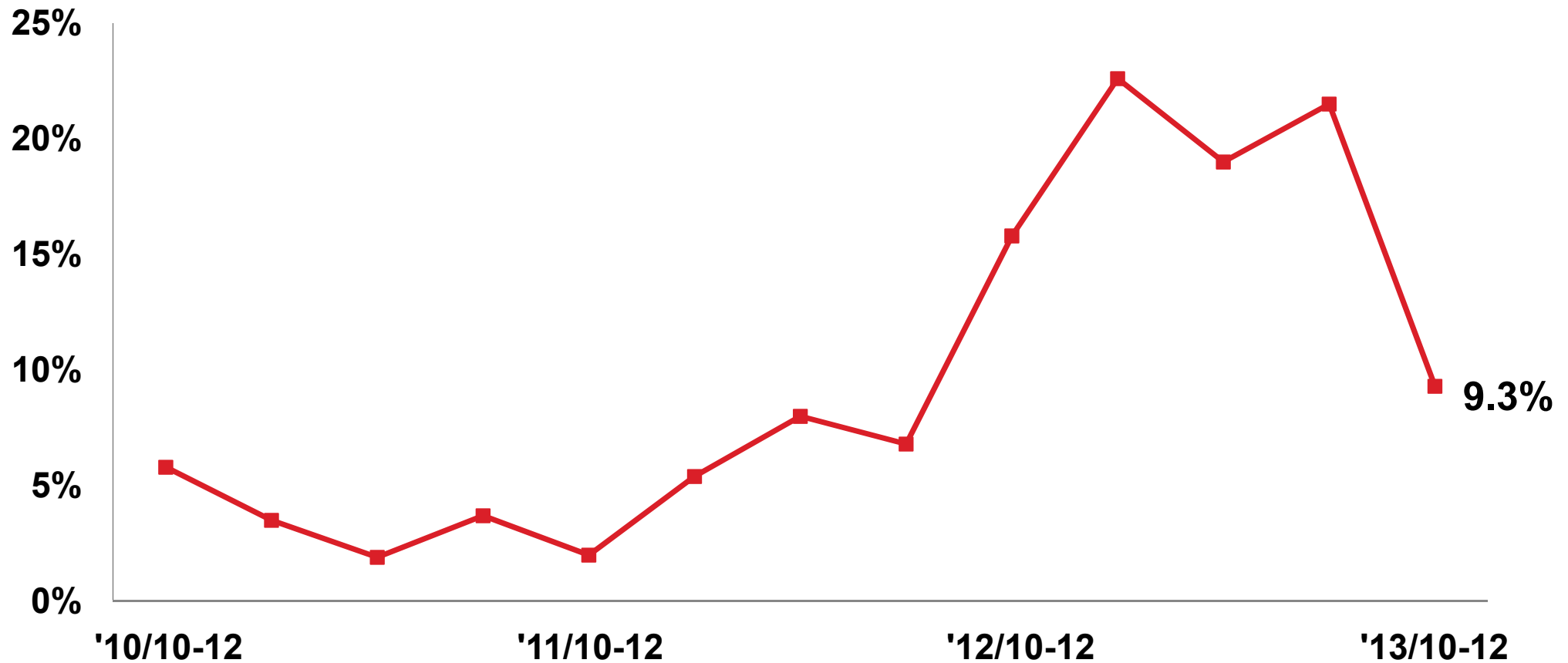
(¥ 100M)



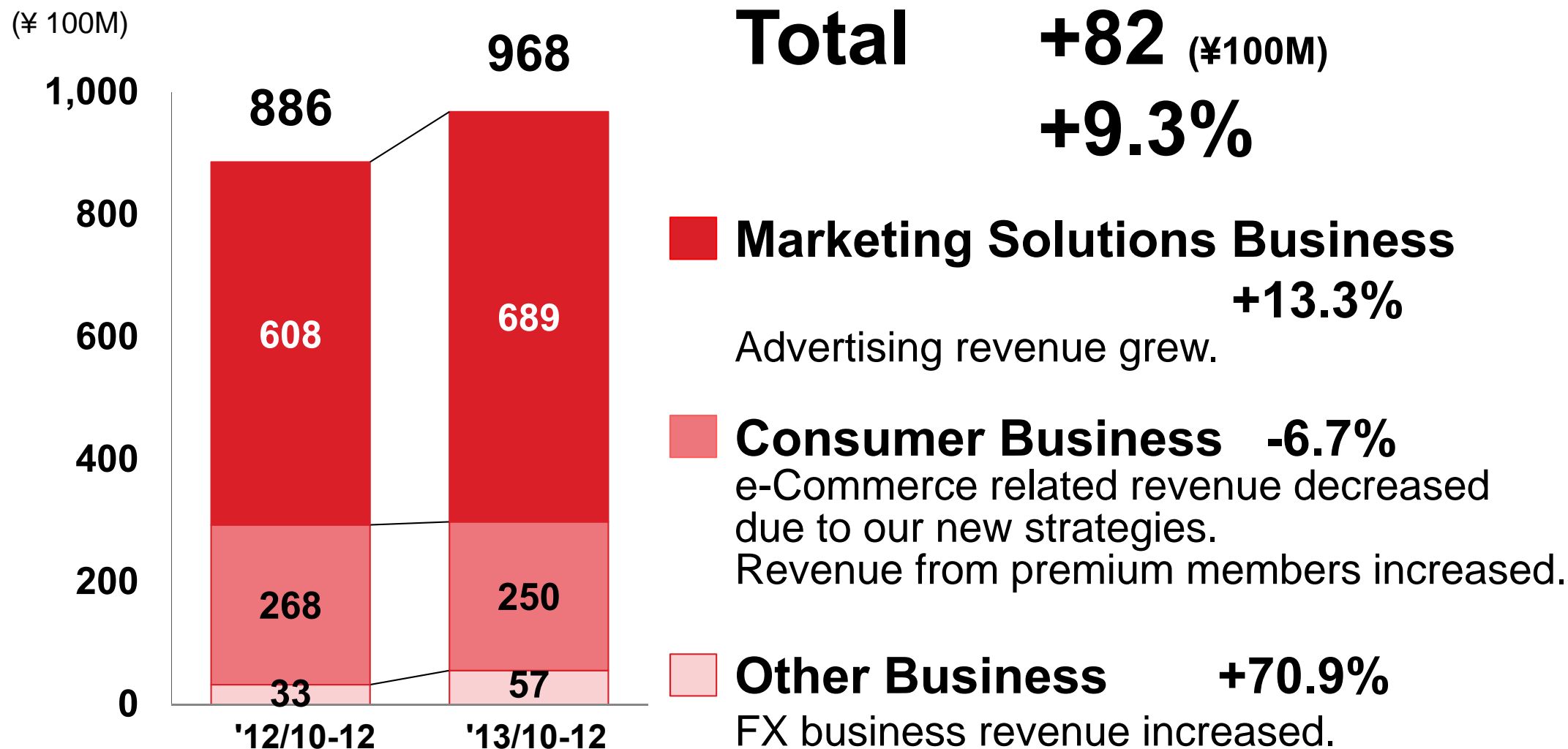
\* Commencing with FY2008, we started indicating revenue on a net rather than gross basis, by eliminating cost of sales and certain items in SG&A. The figure on a gross basis for '08/10-12 is included for your reference.

# Quarterly Revenue YoY Growth Trend

Revenue YoY growth rate dropped temporarily due to our new e-commerce strategies.



# Quarterly Revenue Breakdown

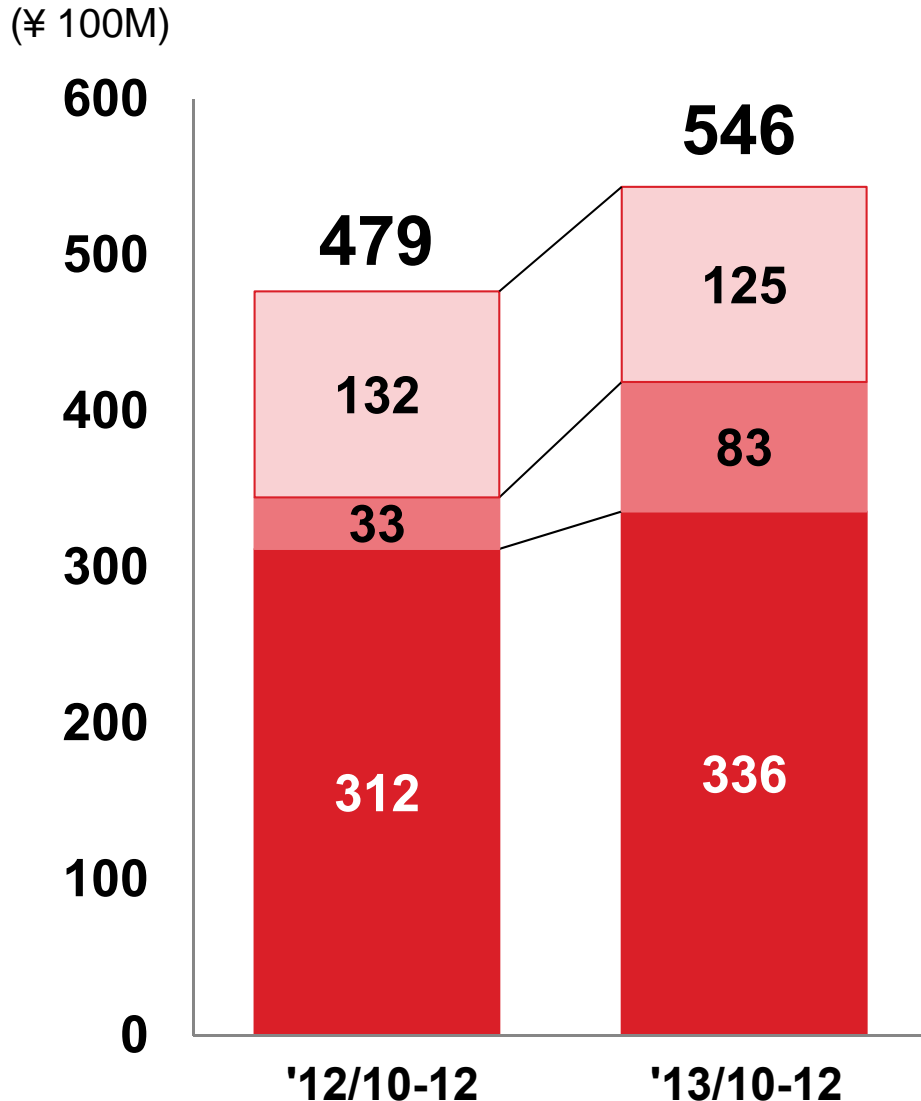


\* Figures for Adjustments are not shown on the chart.

\* Previous and comparative data have been adjusted retroactively to the current segment.

In FY2013-3Q, the departments in charge of some services including travel-related services, were transferred to different in-house companies than before, and their revenue have been transferred between segments.

# Quarterly Advertising-related Revenue



**Total +67 (¥100M)**  
**+14.0%**

**Display Advertising +25.9%**

■ Premium advertising revenue -5.2%  
 Revenue of advertising products excluding “Brand Panel” was mediocre.

■ YDN and others +148.9%

Yahoo! JAPAN Display Ad Network (YDN) revenue grew favorably.

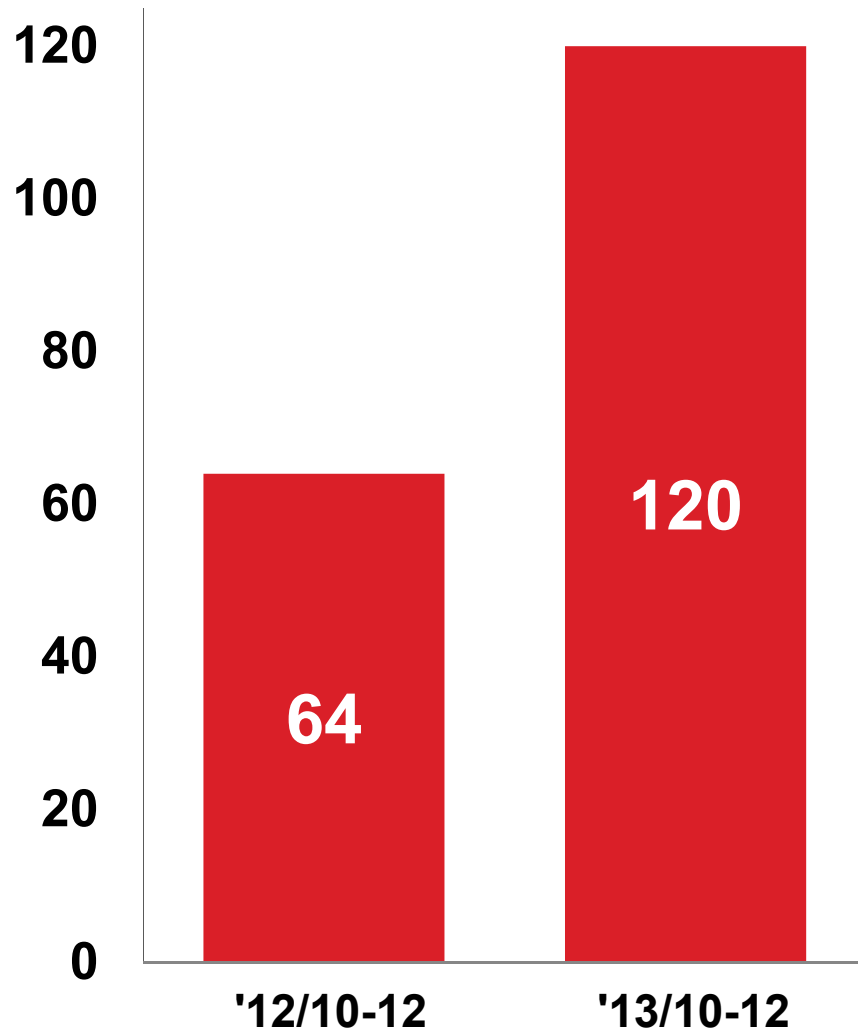
**Paid Search Advertising**

■ Sponsored Search +7.7%

Smartphone advertising revenue rose.

# Quarterly Advertising-related Revenue via Smartphones

(¥ 100M)



■ Smartphone advertising revenue

**+55** (¥100M)

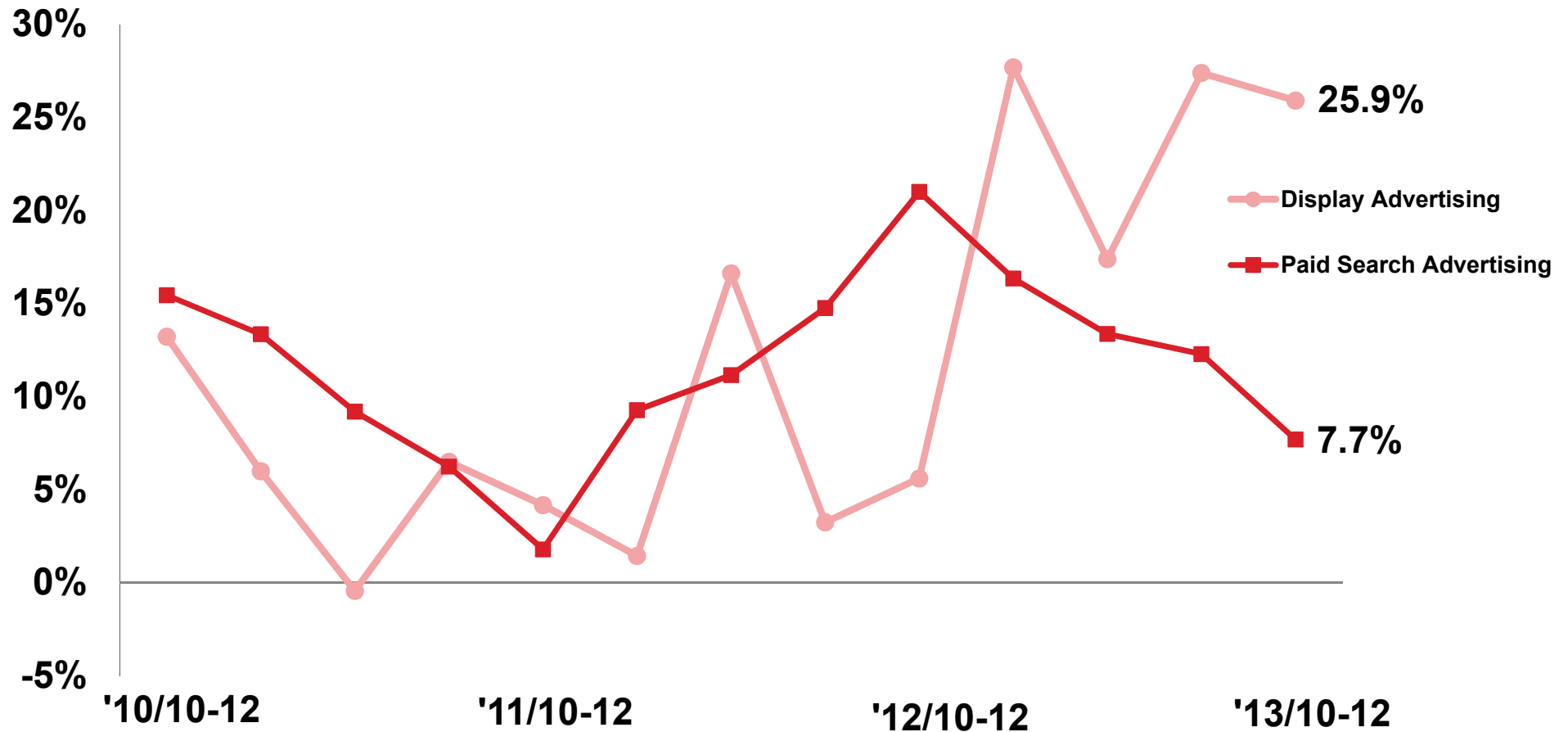
Smartphone advertising revenue ratio

**13.5% → 22.0%**

\*Smartphone advertising revenue includes some revenue via tablet devices.

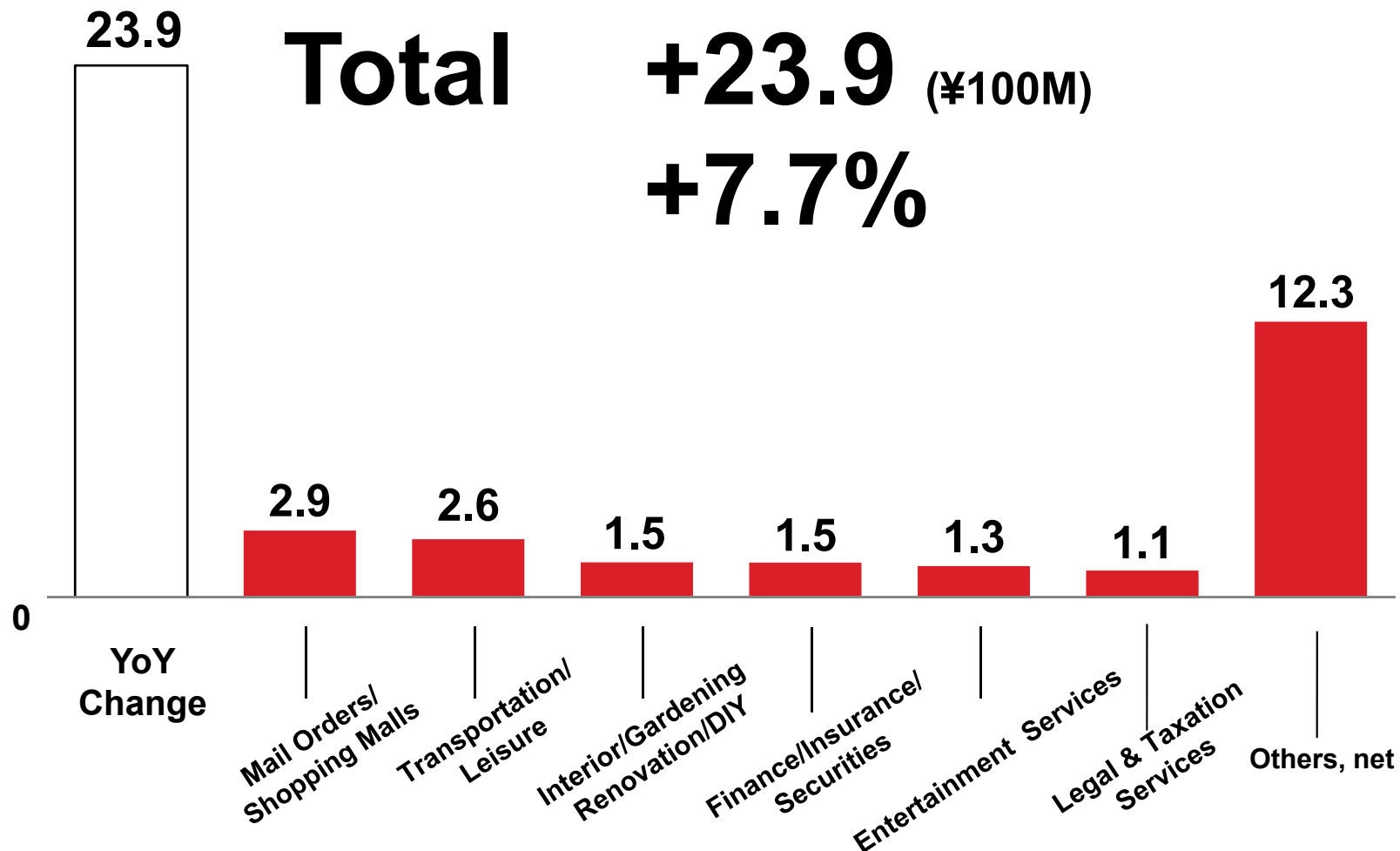


# Quarterly Advertising-related Revenue YoY Growth Trend



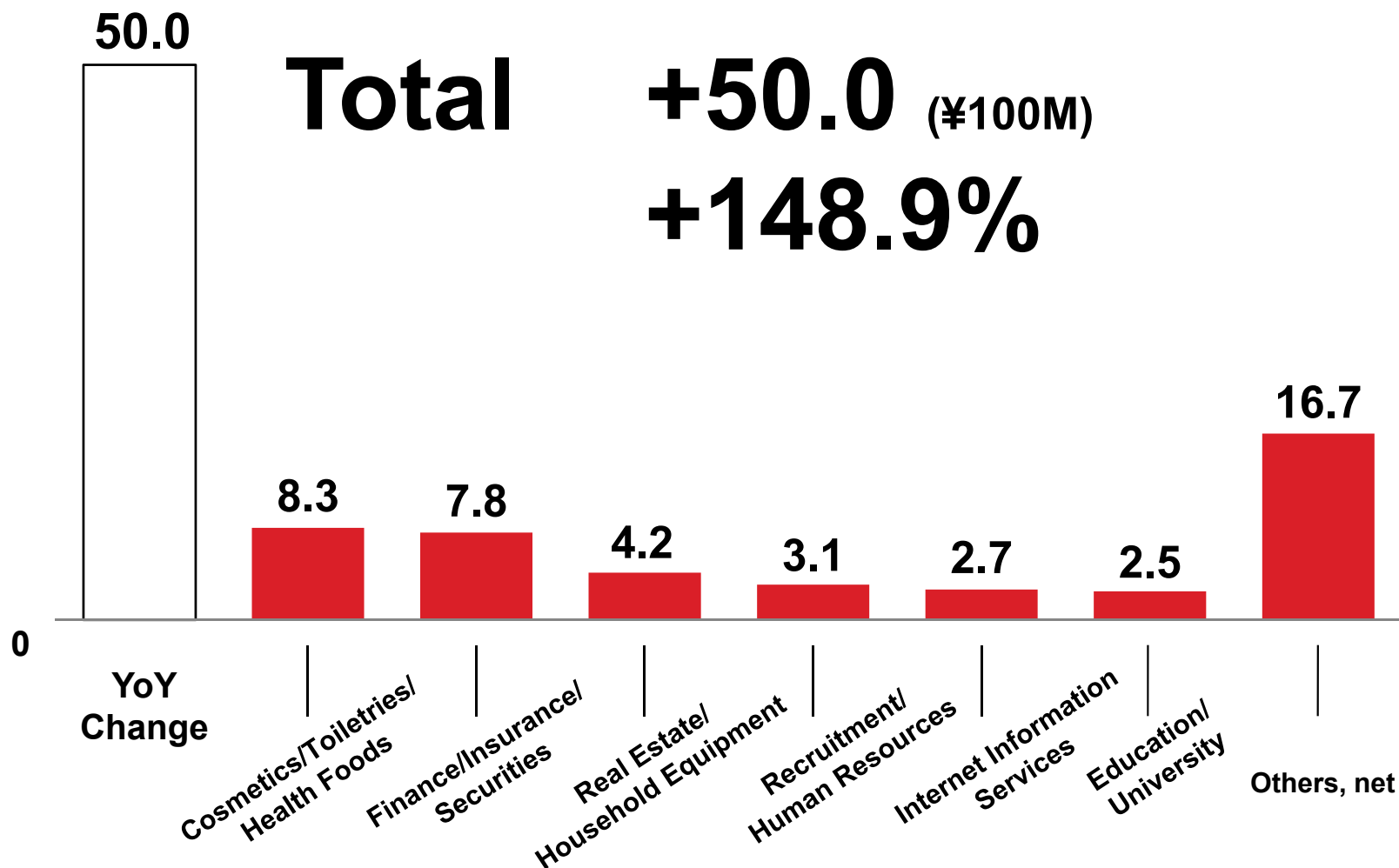
# YoY Change Contributors by Industry - Paid Search Advertising Revenue

(¥ 100M)



# YoY Change Contributors by Industry - YDN Advertising Revenue

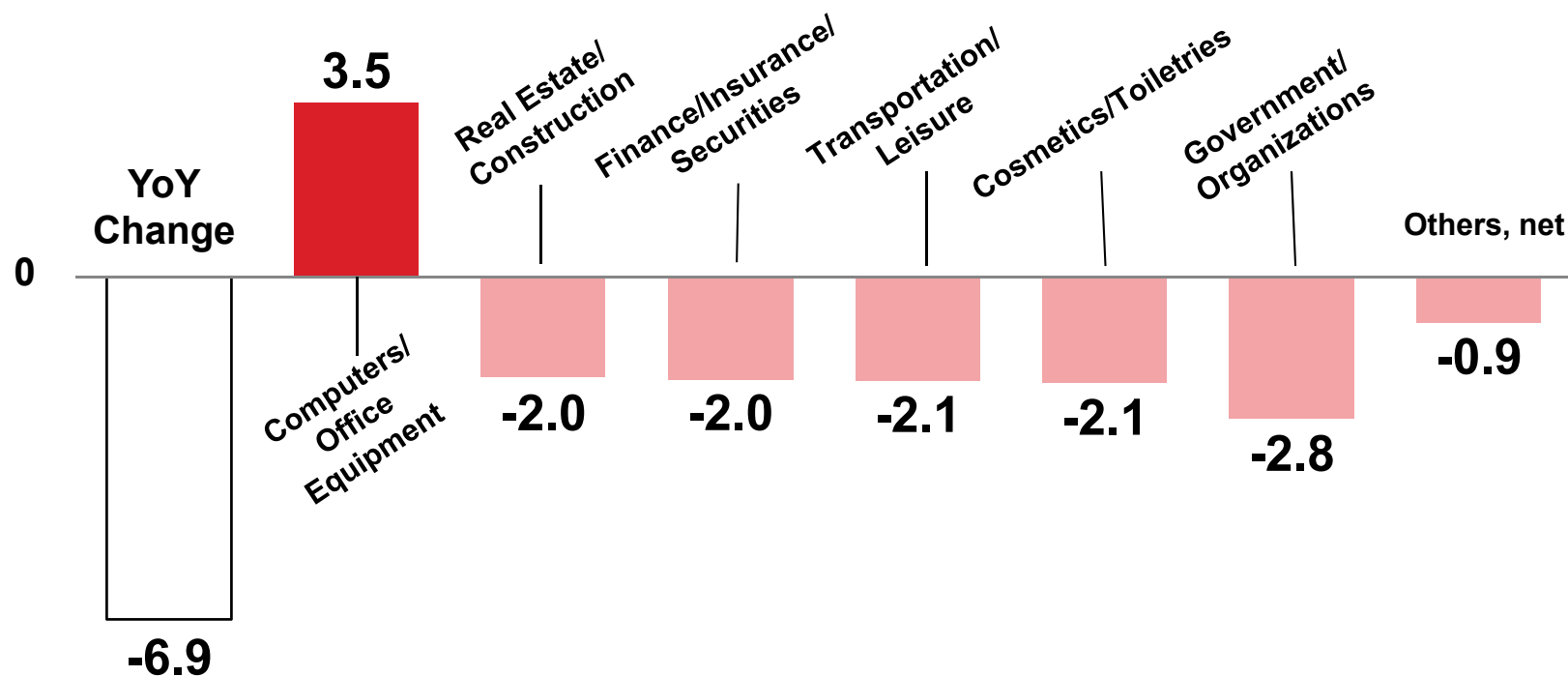
(¥ 100M)



# YoY Change Contributors by Industry - Premium Advertising Revenue

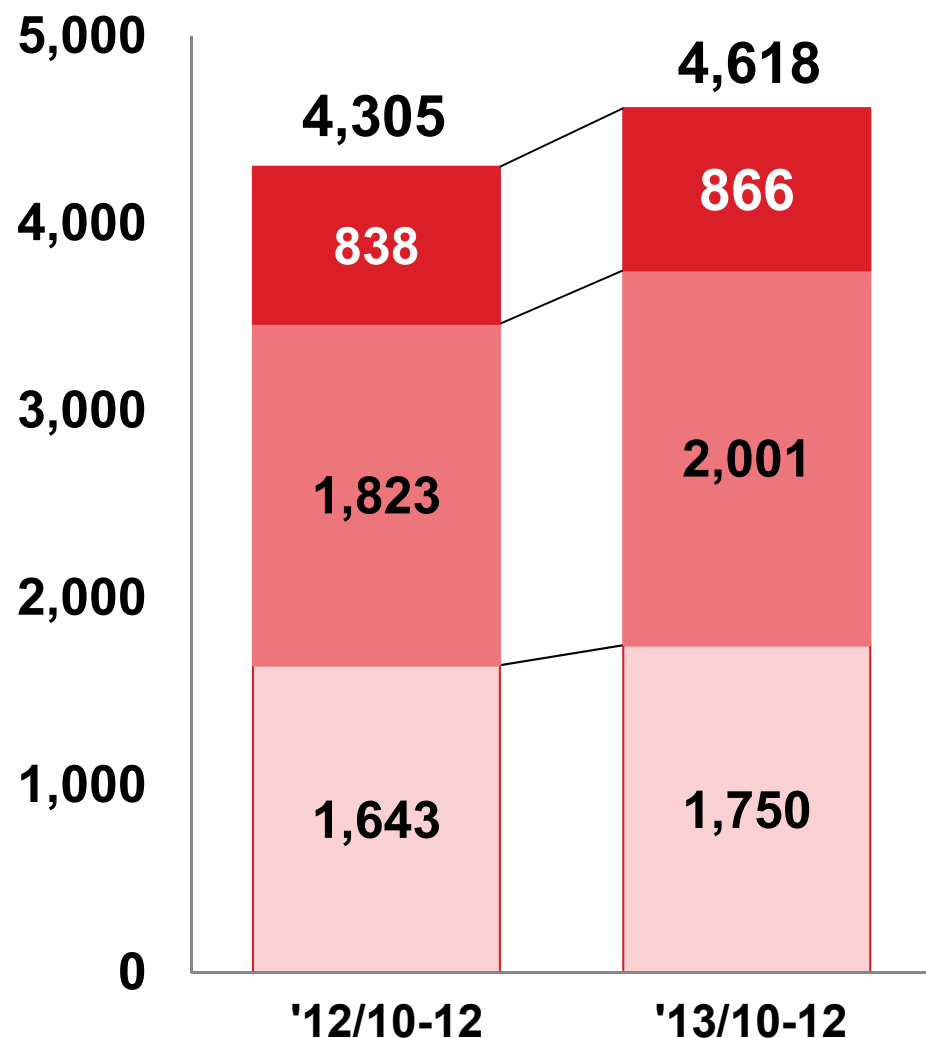
(¥ 100M)

**Total -6.9** (¥100M)  
**-5.2%**



# Quarterly e-Commerce Transaction Value

(¥ 100M)



**Total +313** (¥100M)  
**+7.3%**

- **Shopping-related +3.4%**  
 Aggressive promotion activities for year-end shopping season.
- **Auction-related +9.8%**  
 Transaction value increased with larger number of new bidders and higher unit prices.
- **Others +6.5%**  
 (Settlement/Finance related services, pay digital content, etc.)  
 Yahoo! Wallet transaction value grew.  
 Transaction value of pay digital content increased.

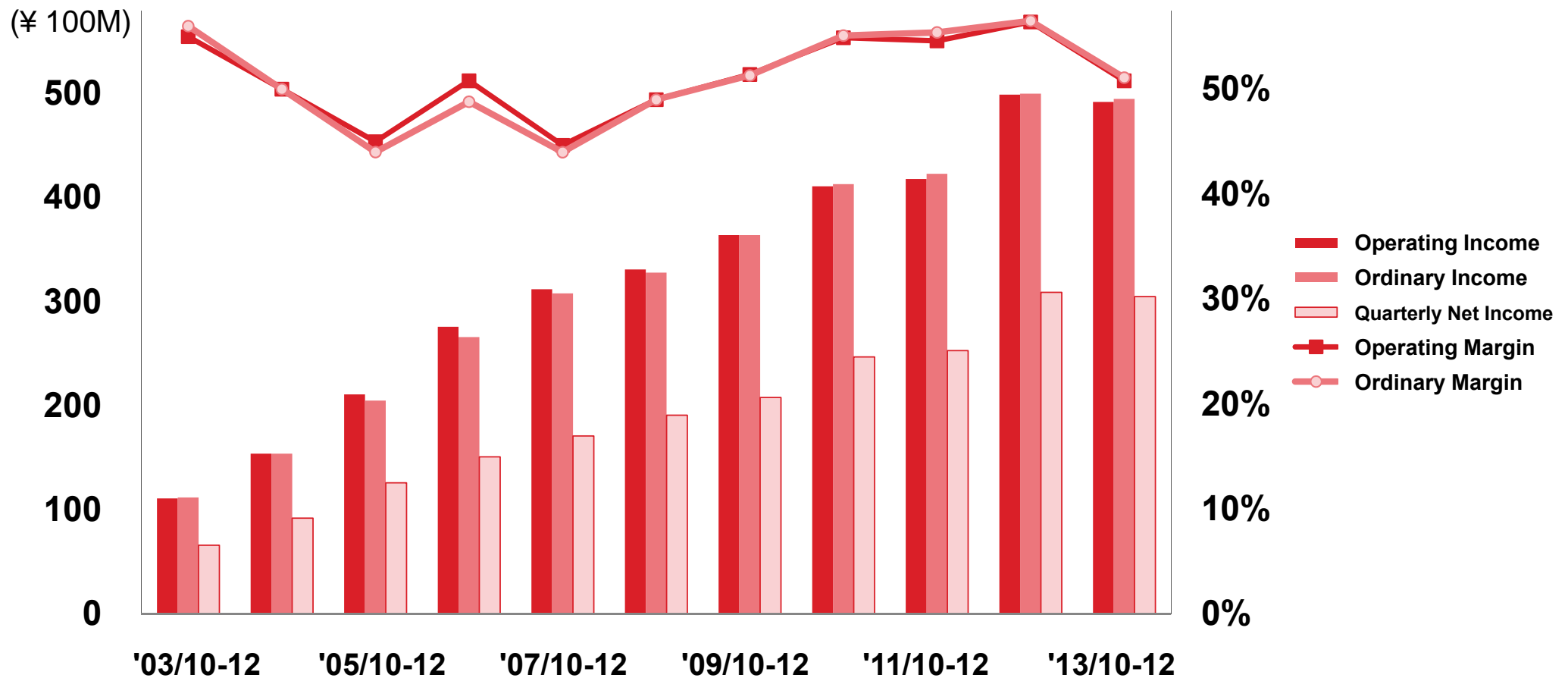
\*Transaction value of FX business is not included.

Shopping-related and Auctions transaction value through Smartphones  
**21.6% → 30.0%**

\* As a result of adopting a more accurate calculation method, prior figures have been restated retroactively.

# Quarterly Profit Trend

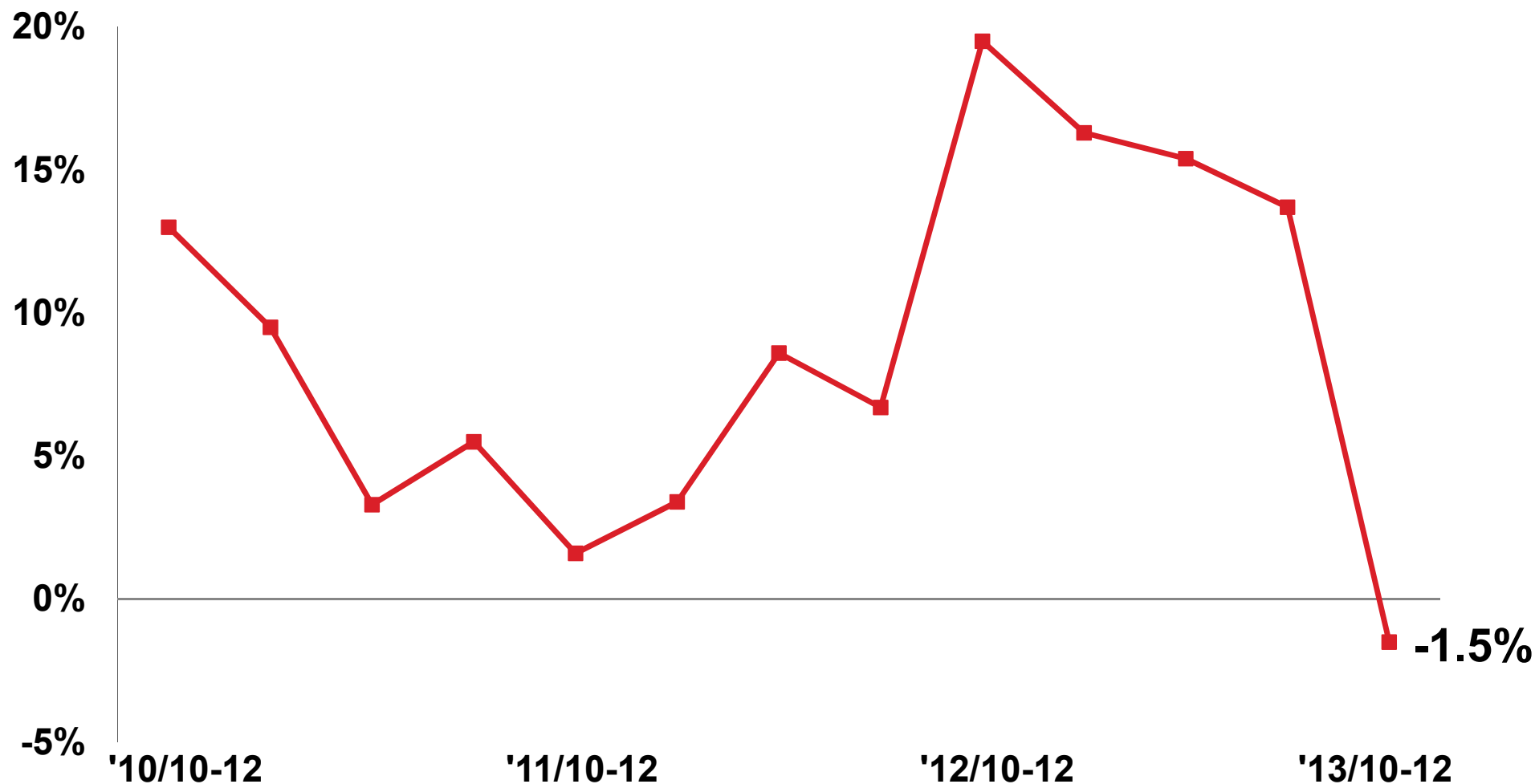
Profits decreased due to aggressive promotion and advertising activities related to new e-commerce strategies.



\* Margins for '08/10-12 onward are affected by the change in the presentation basis for revenue from gross to net.

# Quarterly Operating Income YoY Growth Trend

Profits decreased due to aggressive promotion and advertising activities related to new e-commerce strategies.



# Revision of FY2013 Full Year Business Outlook

(¥100M)

	FY2013 Forecast (As of Oct. 25, 2013)	FY2013 Forecast (As of Jan. 29, 2014)	Change Contributors
<b>Revenue</b>	<b>3,871</b>	<b>3,871</b>	-
<b>Operating Income</b>	<b>1,930</b>	<b>1,960</b>	Businesses with high profitability grew favorably.
<b>Ordinary Income</b>	<b>1,935</b>	<b>1,968</b>	-
<b>Net Income</b>	<b>1,209</b>	<b>1,259</b>	Plan to sell investment securities



# FY2013 Full Year Business Outlook

## YoY Comparison

We expect mid-single digit growth rate for operating income.

(¥100M)

	FY2012 (Actual)	FY2013 (Forecast)	YoY Change	Change Contributors
<b>Revenue</b>	<b>3,429</b>	<b>3,871</b>	<b>12.9%</b>	<ul style="list-style-type: none"> <li>• Advertising revenue grew.</li> <li>• Yahoo! Premium membership revenue increased.</li> <li>• Growth trend slowed due to our new e-commerce strategies.</li> </ul>
<b>Operating Income</b>	<b>1,863</b>	<b>1,960</b>	<b>5.2%</b>	Expenditures for promotion activities for our new e-commerce strategies.
<b>Ordinary Income</b>	<b>1,886</b>	<b>1,968</b>	<b>4.3%</b>	-
<b>Net Income</b>	<b>1,150</b>	<b>1,259</b>	<b>9.5%</b>	Sales of investment securities

# FY2013-4Q Business Outlook

(For reference only)

We forecast temporary slow down in profit growth under new e-commerce strategies.

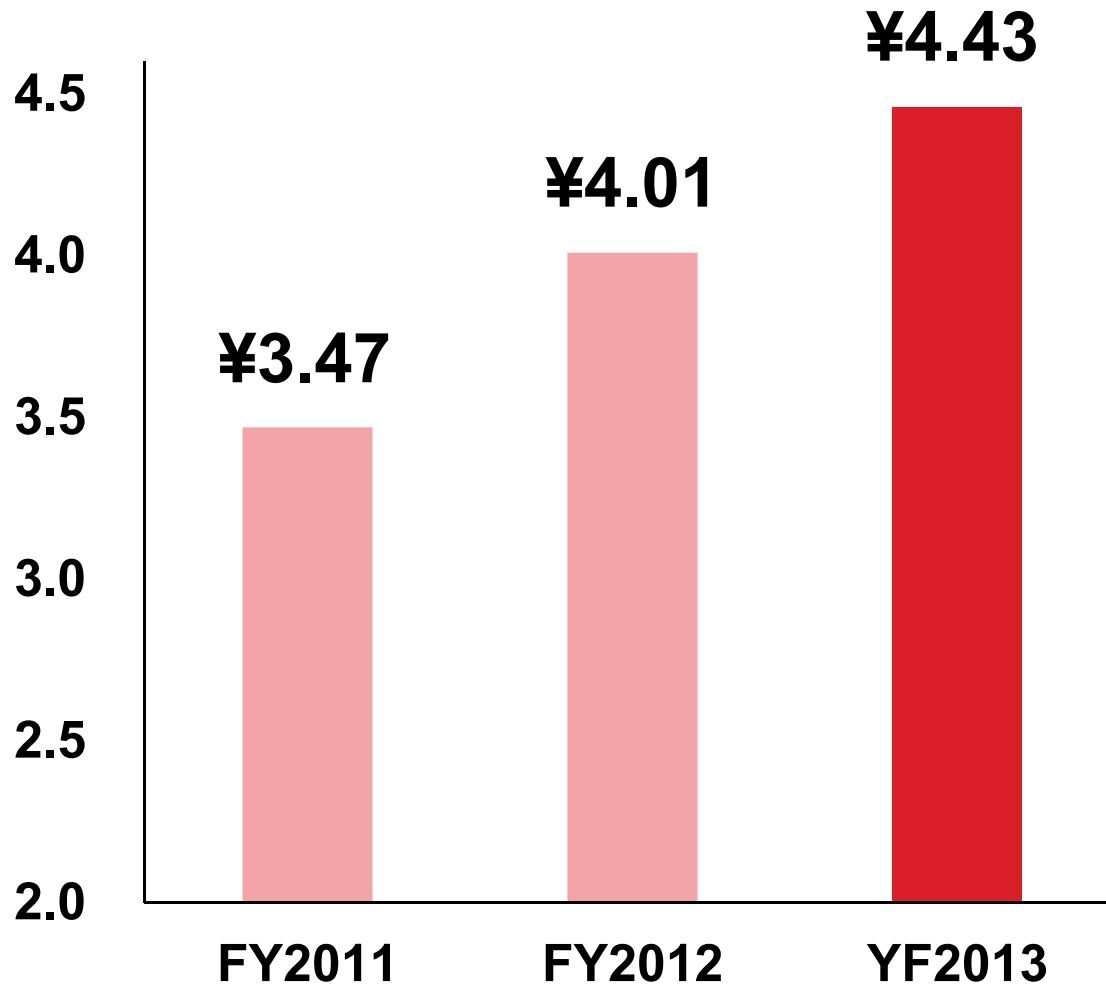
(¥100M)

	2012-4Q (Actual)	2013-4Q (Forecast)	YOY Change	Change Contributors
<b>Revenue</b>	<b>979</b>	<b>1,022</b>	<b>4.3%</b>	<ul style="list-style-type: none"> <li>• Advertising revenue expected to grow.</li> <li>• Growth trend slows due to our new e-commerce strategies.</li> </ul>
<b>Operating Income</b>	<b>509</b>	<b>489</b>	<b>-3.9%</b>	Expenditures for promotion activities for our new e-commerce strategies.
<b>Ordinary Income</b>	<b>518</b>	<b>491</b>	<b>-5.2%</b>	-
<b>Quarterly Net Income</b>	<b>318</b>	<b>328</b>	<b>3.1%</b>	Sales of investment securities

\* Business outlook for 2013-4Q is an approximate calculation of the forecast for FY 2013 minus actual figures for FY 2013 1Q-3Q.

# FY2013 Year-End Cash Dividend Forecast (Revised)

Cash dividends per share  
(¥)



**Cash dividend per share is expected to grow 10.5% YoY**

The Company's target continues to be approximately 20% of consolidated net income as its forecast for dividends for the FY2013.

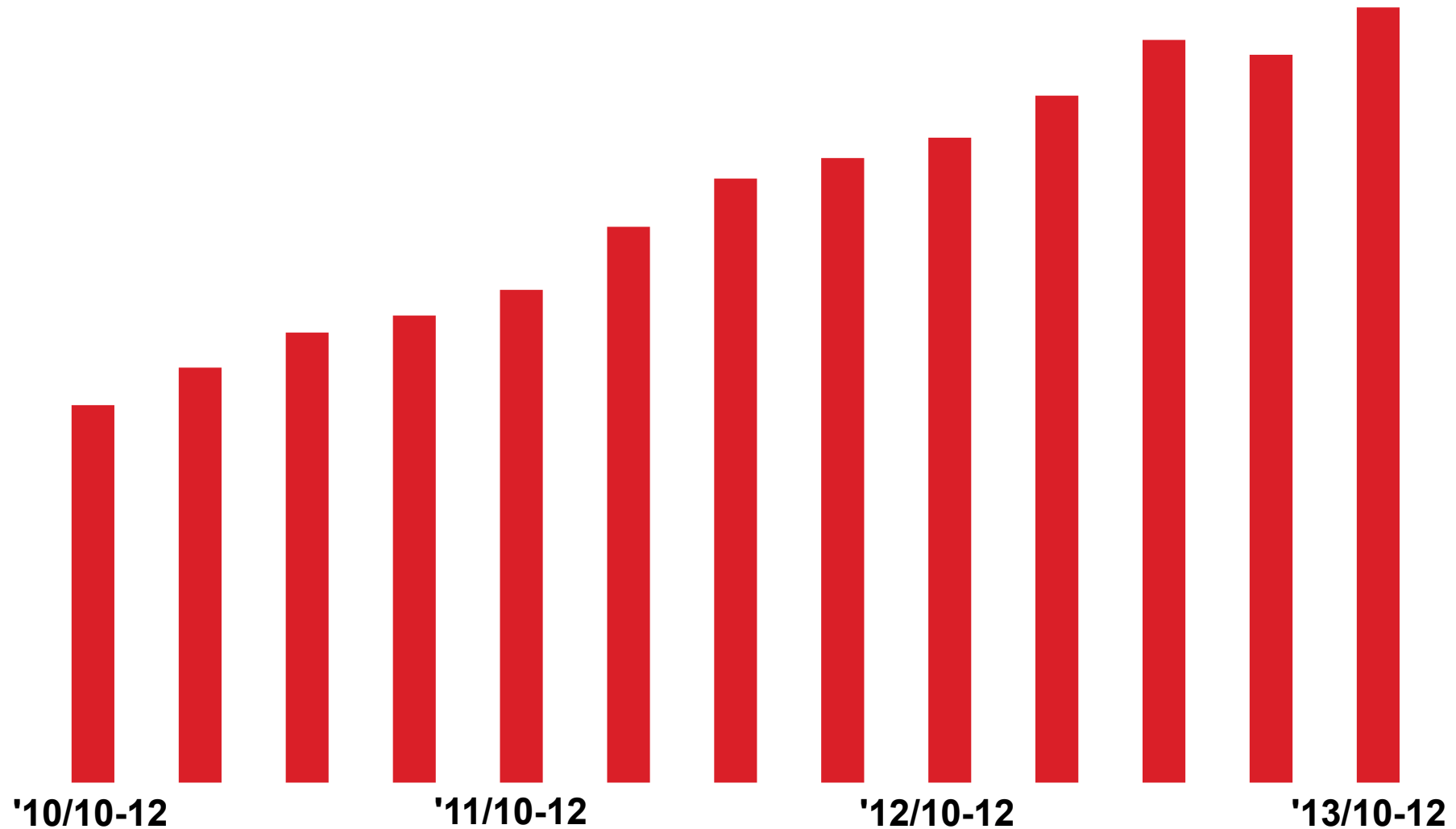
# Adoption of International Financial Reporting Standards (IFRS)

We will start voluntary application of IFRS to our consolidated financial statements from FY2014.

- Income Statement: Please refer to Page 81 for a brief calculation of the impact based on FY2013-3Q.
- Balance Sheet: Example of the IFRS-adjusted balance sheet will be provided later.
- Cash Flows: No material impact will occur.

# Marketing Solutions Business

# DUBs\* of Top 20 Services Growing Favorably

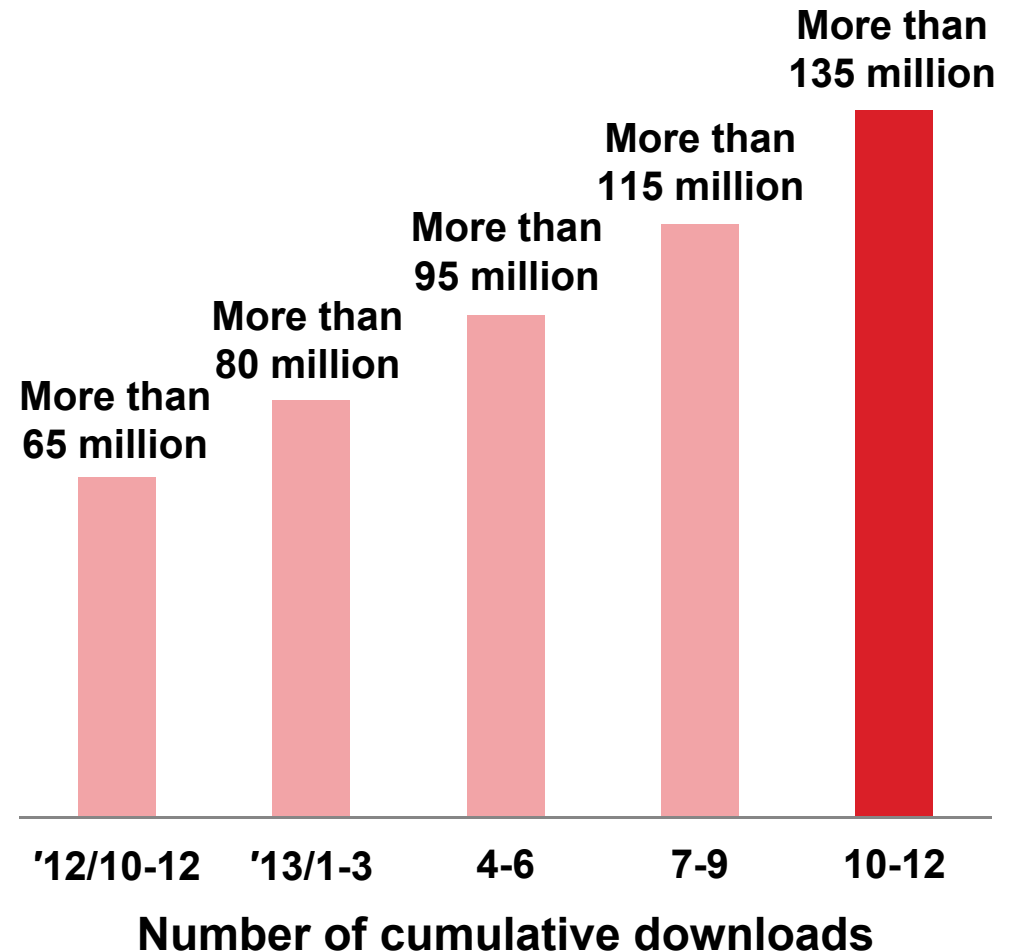
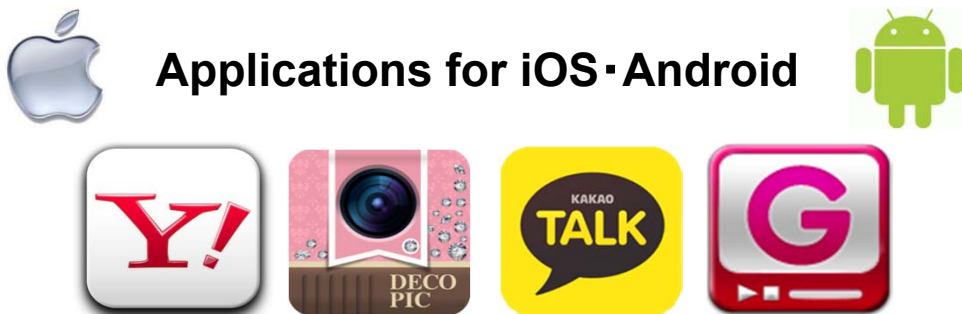


Source: Yahoo Japan Corporation

\*DUB=Daily Unique Browser

# Cumulative Number of Yahoo! JAPAN Applications Downloaded Increasing Steadily

iOS+Android  
Cumulative downloads:  
**130 million and up**



# Measures to Increase Traffic



# Started Offering Official Application of “Yahoo! News”

- Updating important news stories 24 hours a day
- Full of popular entertainment news for smartphones

**重要なニュースは編集部がピックアップ!**  
先読み機能でオフラインでもサクサク表示。  
編集部厳選の関連情報でより詳しく。

**ネタリか、R25などトレンドニュースも満載!**  
恋愛、コラムなどちょっとした空き時間に!

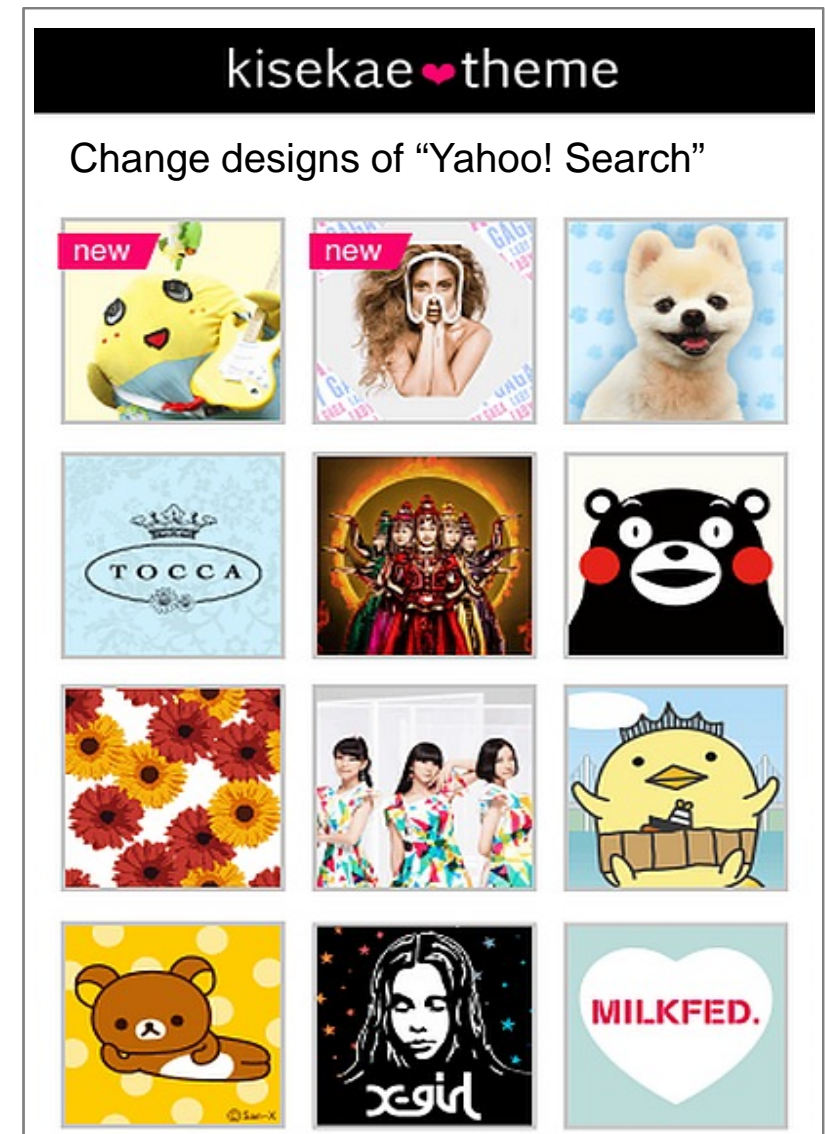
**天気、路線にもすぐにアクセス!**  
忙しい朝の天気チェックもラクラク!  
通勤経路の運行情報もひと目で分かる。  
現在運行情報のある路線のみ表示されます。

**国内外の重要なニュースをプッシュ通知でお届け!**  
重要なニュースをリアルタイムでゲット!

**世の中の「今」を知るニュースアプリの定番!**  
Yahoo!ニュース 公式アプリ

# Started Offering “Yahoo! Search” Theme Skin

- Decorating function for search pages on smartphones
- Enables smartphone users to change the look of backgrounds or search buttons by selecting themes.
- Achieved **1 million** DUBs.



# “Yahoo! Smartphone Optimization tool” Achieved **1 Million Downloads**



- One tap enables users to save smartphone battery.
- Improves operation speed using adjustment function.
- Has maintained No.1 position in the Google Play Business Category since Nov. 2013.

# “Yahoo! Knowledge Search” and “Yahoo! Search” Started to Display Links to “Yahoo! Shopping” Pages

## YAHOO! 知恵袋 Yahoo! Knowledge Search

解決済みのQ&A

 **ポケットモンスター X・Yを買おうと思っています**  
okabechojaさん



**ポケットモンスター X・Y**  
(ニンテンドーDS/ソフトウェア)  
販売価格：3,850円～  
中古価格：4,259円～

[Yahoo! Shopping](#)

ポケットモンスター X・Yを買おうと思っています  
3DSになりましたが過去のポケモンからのモンスターの引っ越しはどれくらい可能なのでしょうか？

 Yahoo!ショッピング利用者からの投稿 (参考ページ)

質問日時：2013/11/8 14:44:26      解決日時：2013/11/11 16:25:30  
閲覧数：118      回答数：3

Linkage to  
8.88 million products

## YAHOO! 検索 JAPAN Yahoo! Search

ウェブ 画像 動画 辞書 知恵袋 地図 リアルタイム 一覧 ▾

ソファー

約7,570,000件  
絞り込みツール ▾

[ソファー人気ランキング](#) [IKEAソファー](#) [ニトリソファー](#) [ソファー北欧](#) [で検索](#)

[ソファーの売れ筋商品ランキング](#) Yahoo! Shopping

 1位 <a href="#">Yahoo!ランキング「2人用ソファ」1位...</a> 9,990円	 2位 <a href="#">ソファソファベッドリクイーン</a> 9,980円	 3位 <a href="#">ローソファ ローソファ</a> 9,800円	 4位 <a href="#">ソファソファ sofa ソファ日本製</a> 16,200円
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[ソファーのオークション検索結果\(10,492件\)](#) YAFUOKU!

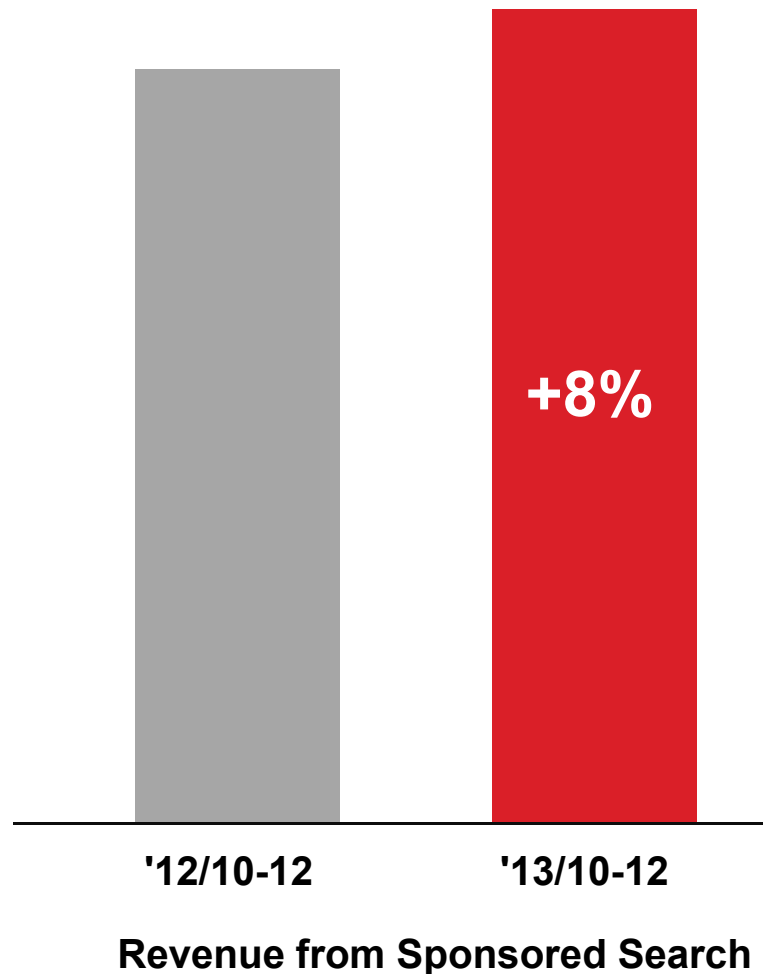
 現在21,500円 入札25件	 現在13,500円 入札29件	 現在66,000円 入札63件	 現在31,000円 入札16件	 現在52,000円 入札52件
-------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------

# **Measures to Increase Revenue and Profit**

# **Paid Search Advertising**

# Revenue from “Sponsored Search” Continues to Grow

Targeting at municipal level is now available.



# “Sponsored Search”

**Aiming at mid-single digit growth rate YoY by strengthening targeting function while emphasizing usability.**

## Measures:

- **Expansion of search service users by offering better search answers.**
- **Provision of consulting function for advertisers including keyword suggestions.**
- **Cultivation of new advertisers via seminars.**
- **Continuous adjustment of search system.**



# Display Advertising

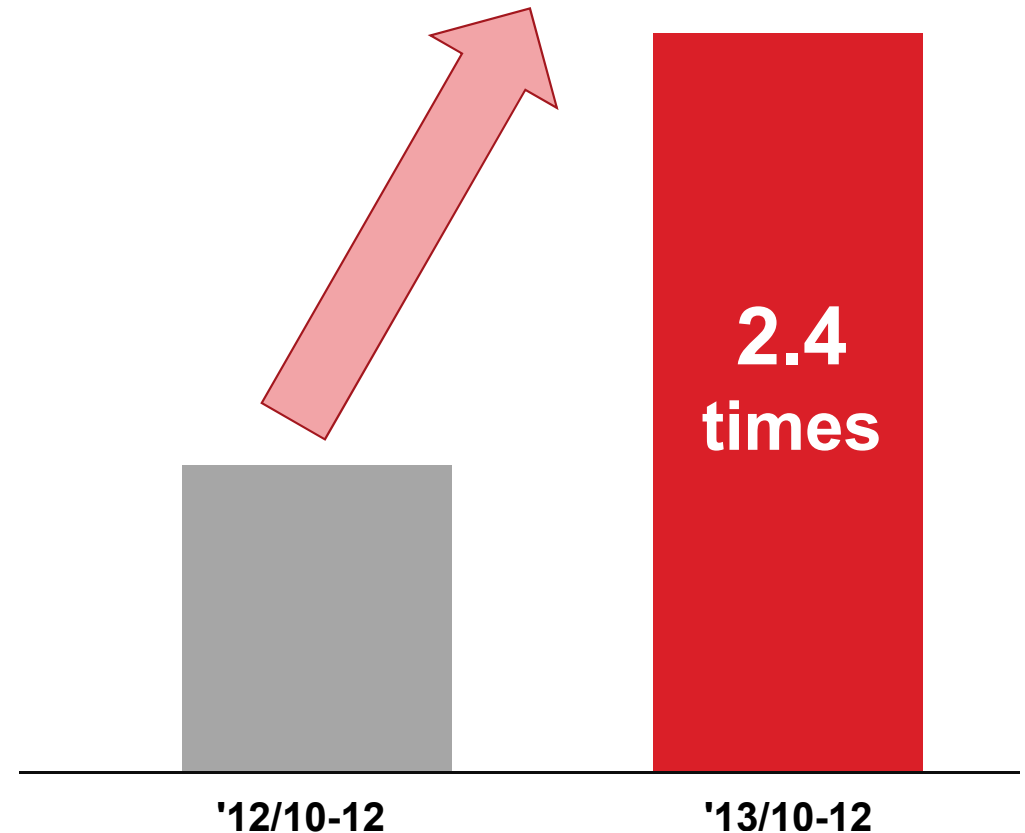
# Revenue from “Brand Panel” (PC) Continues to Increase



Brand Panel Revenue increased by **12%**.

Revenue share of Rich Ads in total “Brand Panel” revenue was **30%**.

# Revenue from YDN in FY2013-3Q Increased More Than 2 Times YoY





YAHOO!

**Announced New Initiatives for Better  
Advertising Effectiveness  
that Leverage  
Artistic Creativity and  
Advanced Technology**



# Planning to Start Offering Private DMP Services Utilizing Big Data

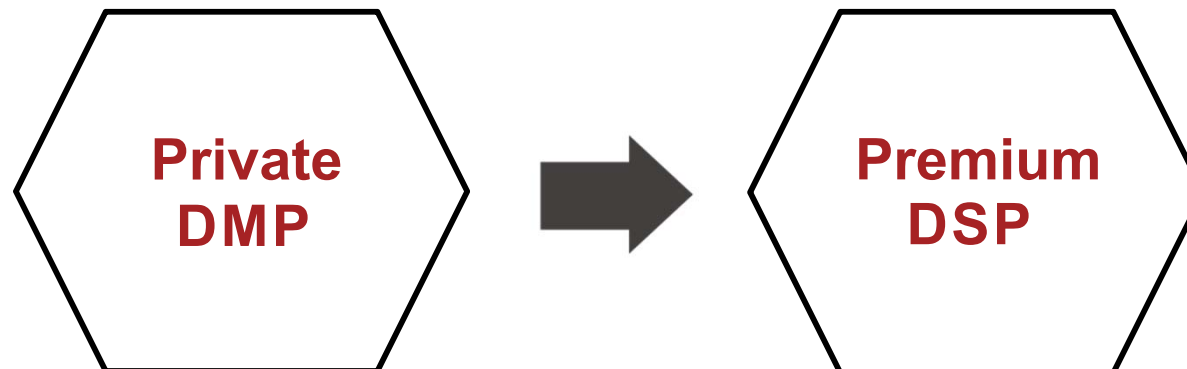
- **Through a capital tie-up with BrightTag, Inc. of the U.S., we plan to launch a cross-channel data management platform (DMP) using big data in spring 2014.**
- **Possible to analyze collected data and apply results in real time.**



# Started Offering High-end Targeting Advertising Product through Yahoo! Premium DSP Service

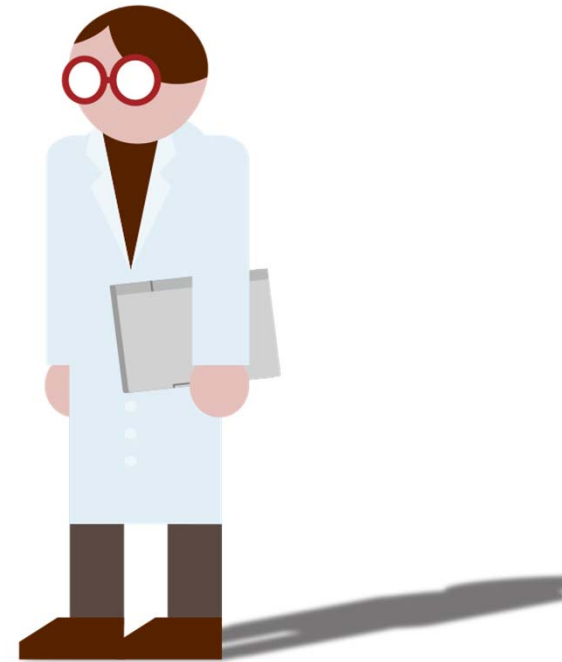
In January 2014, we launched a demand side platform (DSP) service.

- Utilize Yahoo! Inc.'s platform.
- Using big data collected by Yahoo! JAPAN, distribute advertising to targeted users through Prime Display and other advertising products.



# Started Offering Consulting Service Utilizing Big Data

- **Through a tie-up with BrainPad Inc., we plan to start a consulting service joint venture in January 2014.**
- **Specialist consulting services of data scientists will enable maximum use of data held by advertisers and Yahoo! JAPAN.**



# **Start of Video Advertising Business**

- Will use the superior reservation-type video advertising technology platform of U.S. firm, Videology, Inc.**
- Will provide impact evaluation-related data, enabling multi-screen distribution of a single video advertising.**



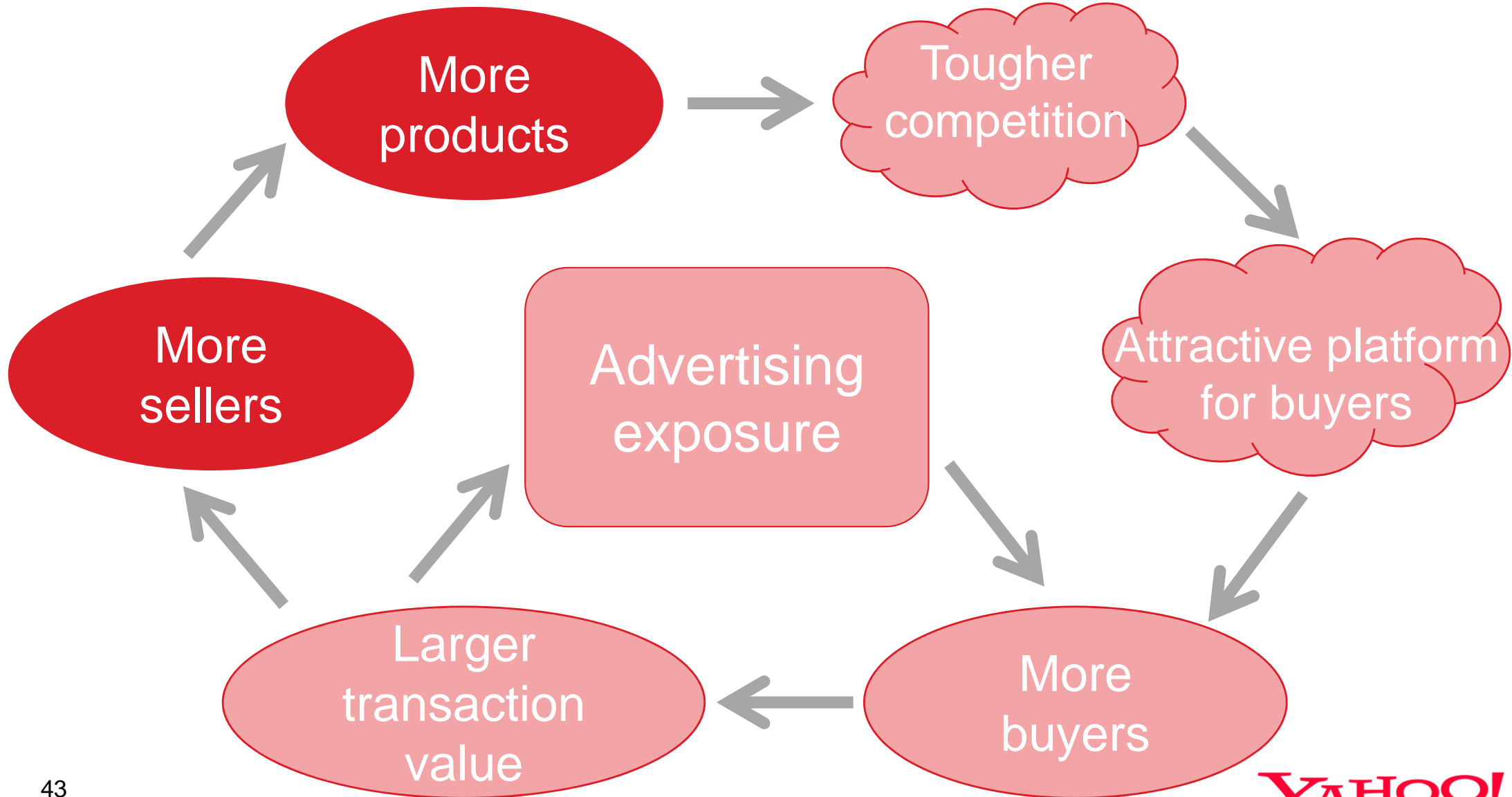
# Consumer Business



# Yahoo! Shopping

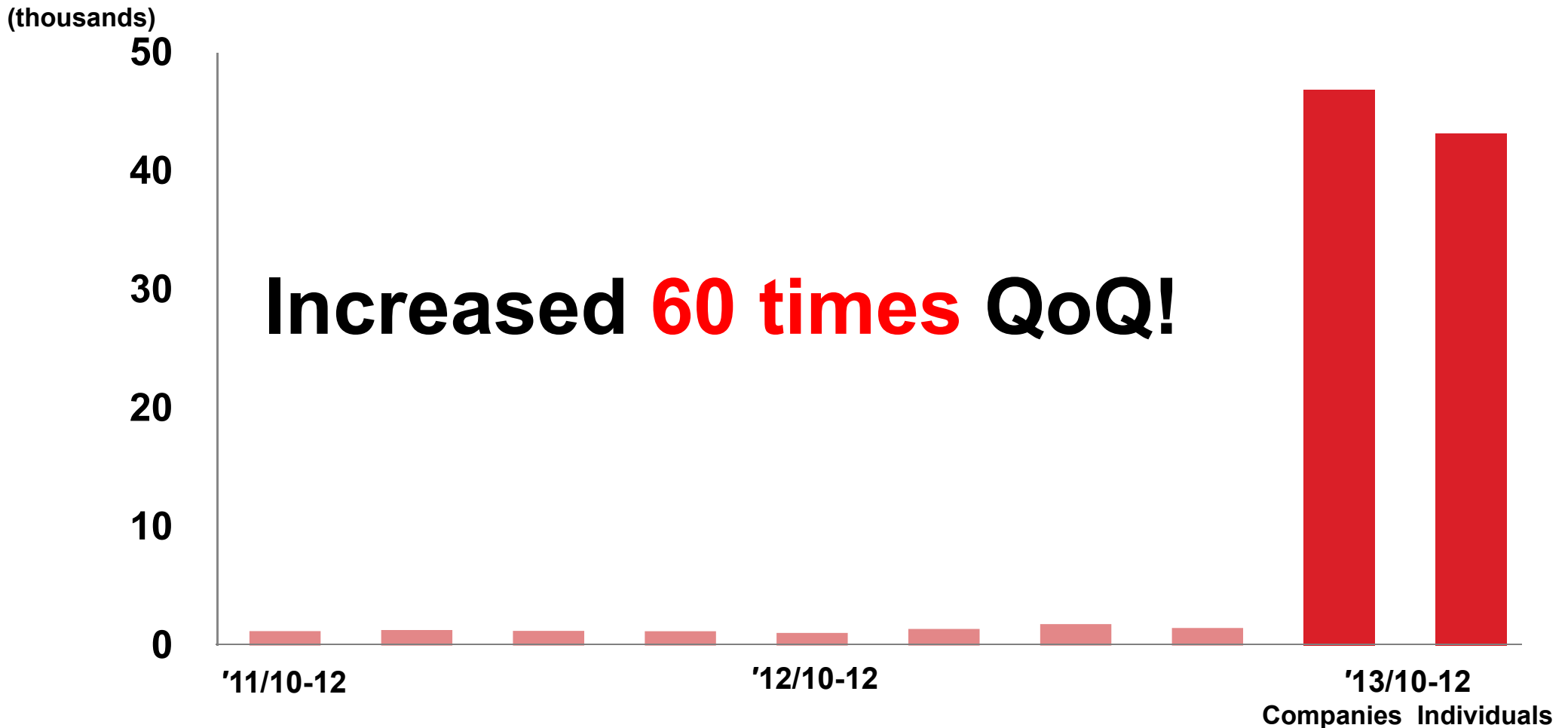
# Yahoo! Shopping

**Will Increase the Number of Sellers First,  
then Increase the Number of Products**



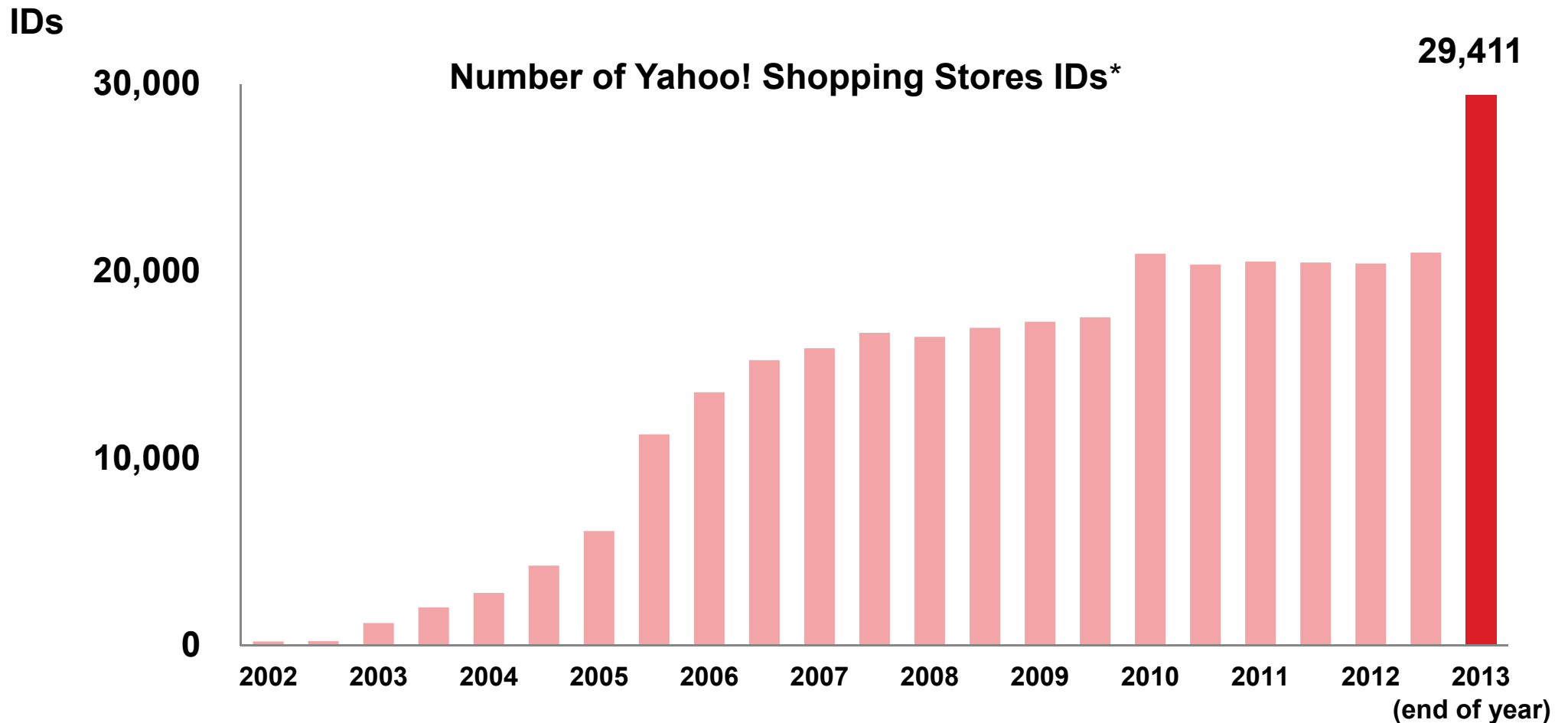
## Yahoo! Shopping

We received more than **90 thousand** applications after the announcement



# Yahoo! Shopping

Added **10 thousand Store IDs** in a quarter

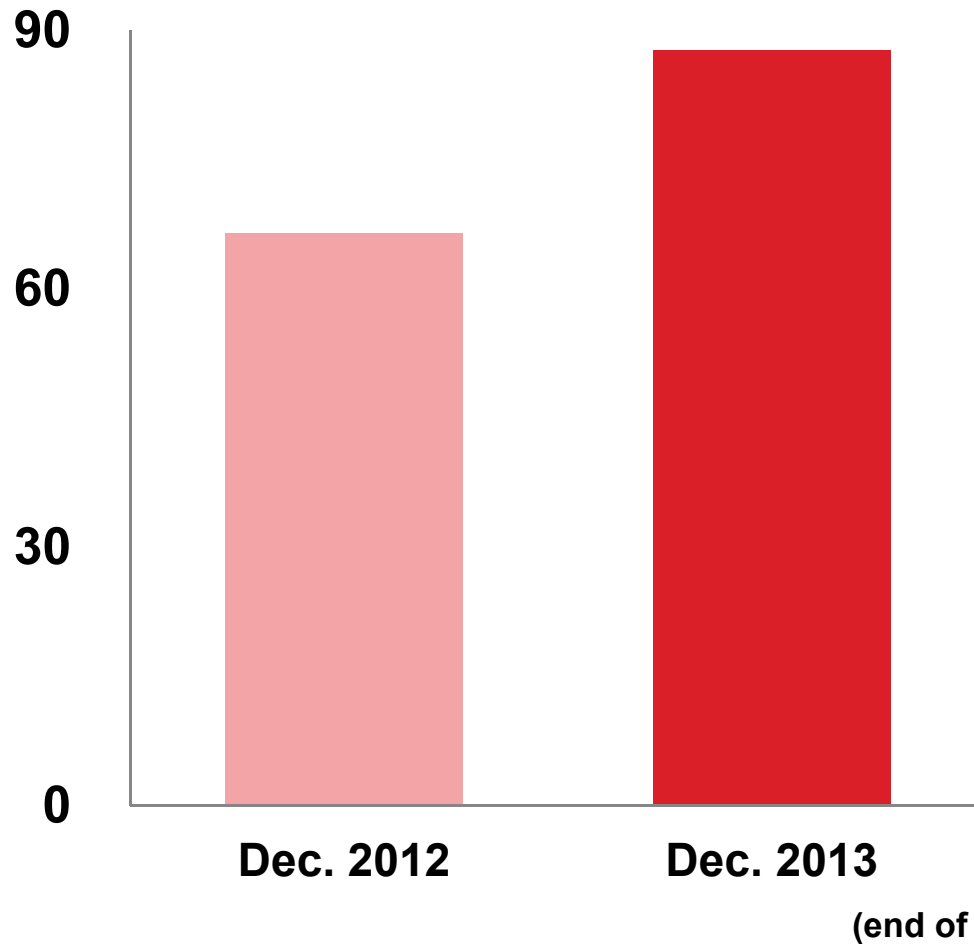


\* Number of accounts issued. It includes the number of accounts still preparing the store site.

# Yahoo! Shopping

Number of products increased by more than **30% YoY**

(million items)



## Yahoo! Shopping

# Yahoo! Shopping Monthly Transaction Value Started to Recover



# Yahoo! Shopping

## Transaction Value of Year-end Shopping Season (Dec. 1<sup>st</sup> - 15<sup>th</sup>) Reached **Record High**

### Yahoo! The Bargain

いいね! 453 ツイート 96

開催期間: 2013年12月1日(日)~12月15日(日)  
特別なセールや曜日限定イベントを連日開催! 胸が踊る2週間

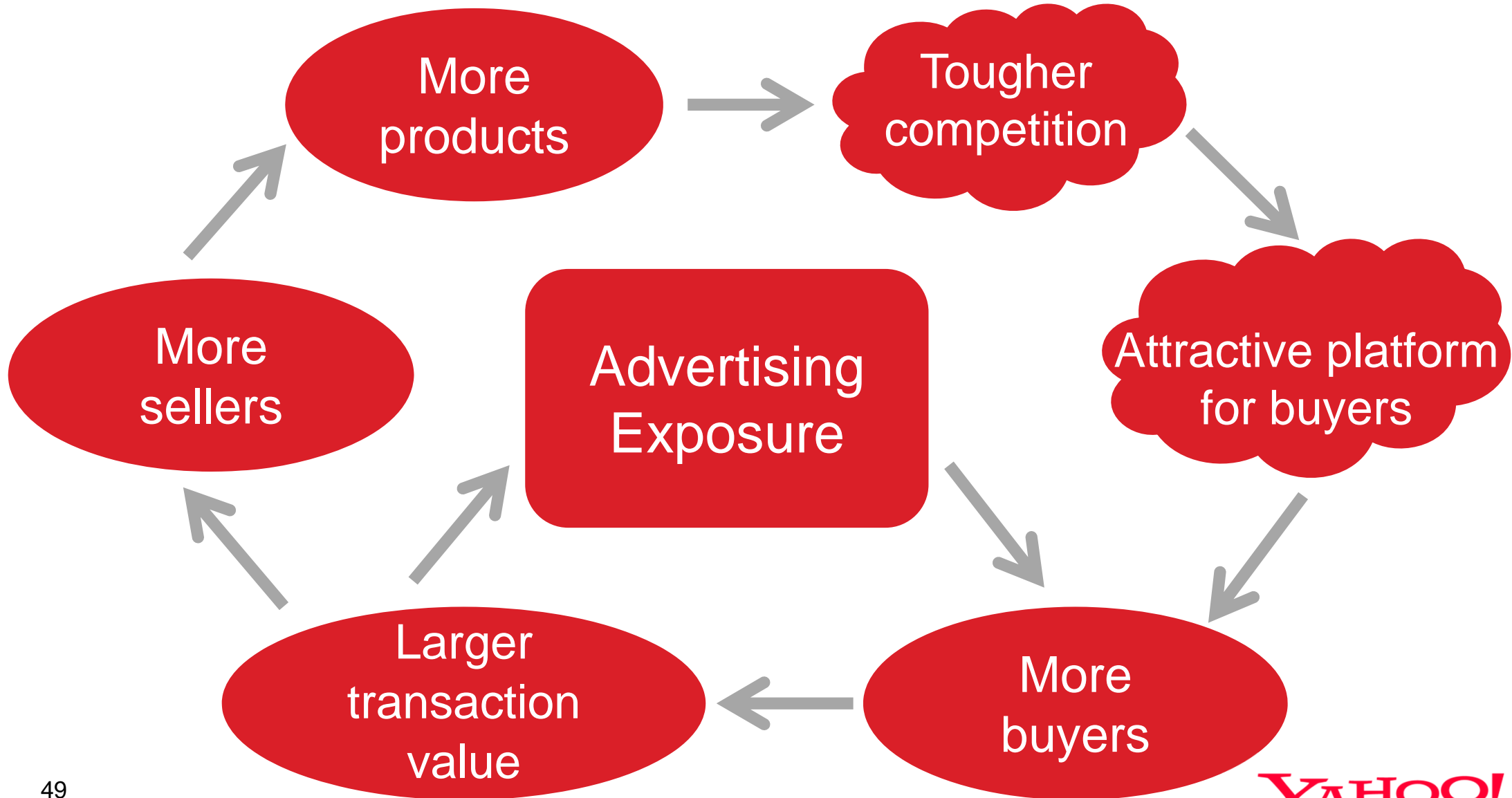
購入されました! リバーシブル綿入り紳士はもてん半纏 (薄... 2,980円) NK20D#オットマン付き2Pソファ展示品... 1,600円

8(日)	9(月)	10(火)	11(水)	12(木)	13(金)	14(土)
Yahoo! JAPAN トップページで スペシャル セール 15時開始	1円 スタート! ヤフオク! 正午から	この冬人気の スワイガニ 超目玉価格	憧れの フェラーリ びっくりプライス	ロクシタンやコフレなど コスメ・日用品 セール	ハッピーセール 通販でお得な米	Yahoo! トップ ページ で スペシャル セール
クルマが特別価格	フェラーリ、ボルシェ.....憧れのクルマが特別価格			今年売れ		
ファッション・コスメ・スポーツグッズ 日替わりフェア			ファッション・コスメ・スポーツグッズ 日替わりフェア			
生活雑貨、食品が大特価			生活雑貨、食品が大特価			



# Yahoo! Shopping

## Transaction Value Expansion Leads to Advertising Growth in the Future



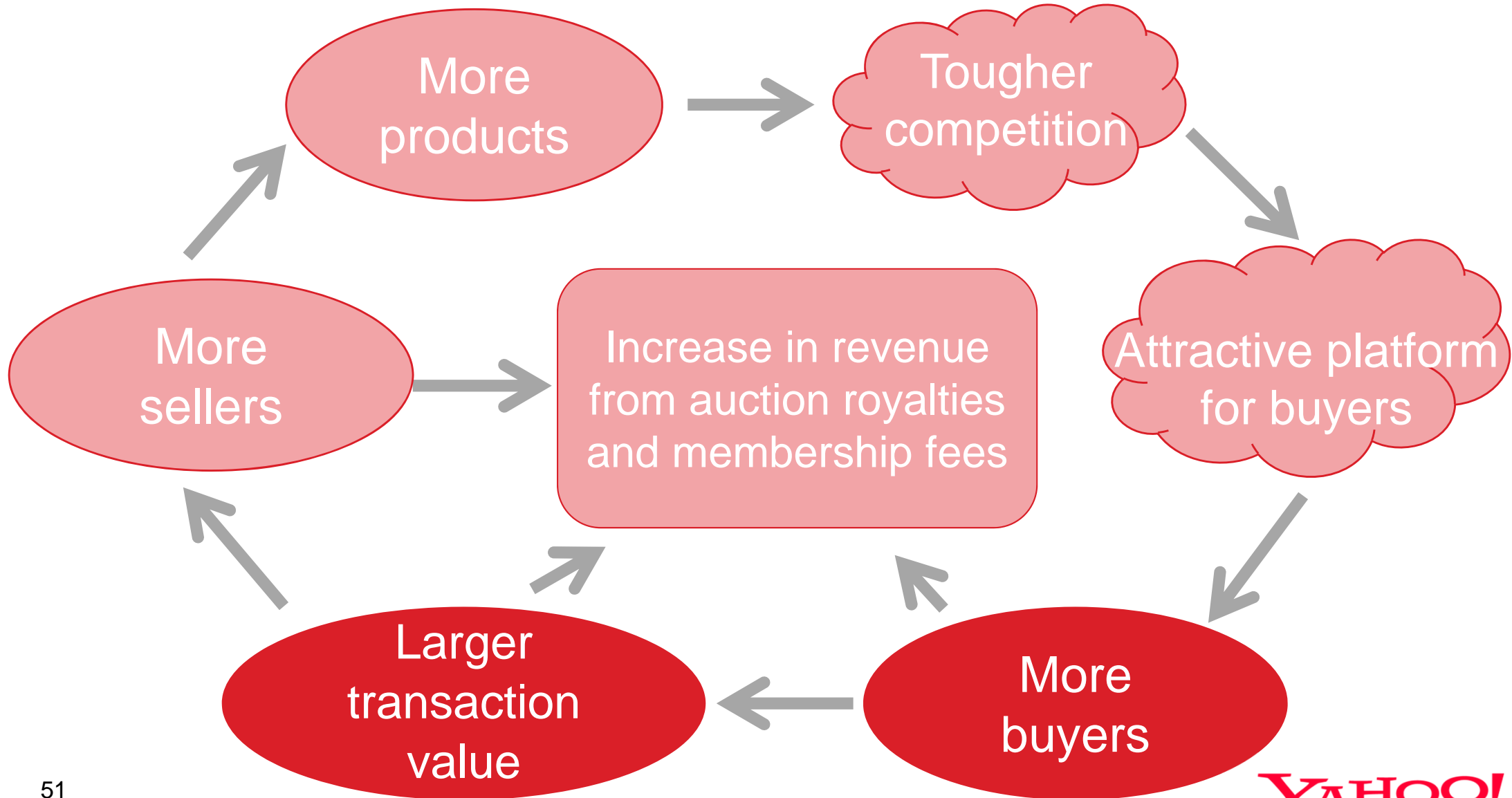


# YAFUOKU!

## (Auction services)

# YAFUOKU! (Auction)

## Starting Business Ecosystem with “More Buyers”

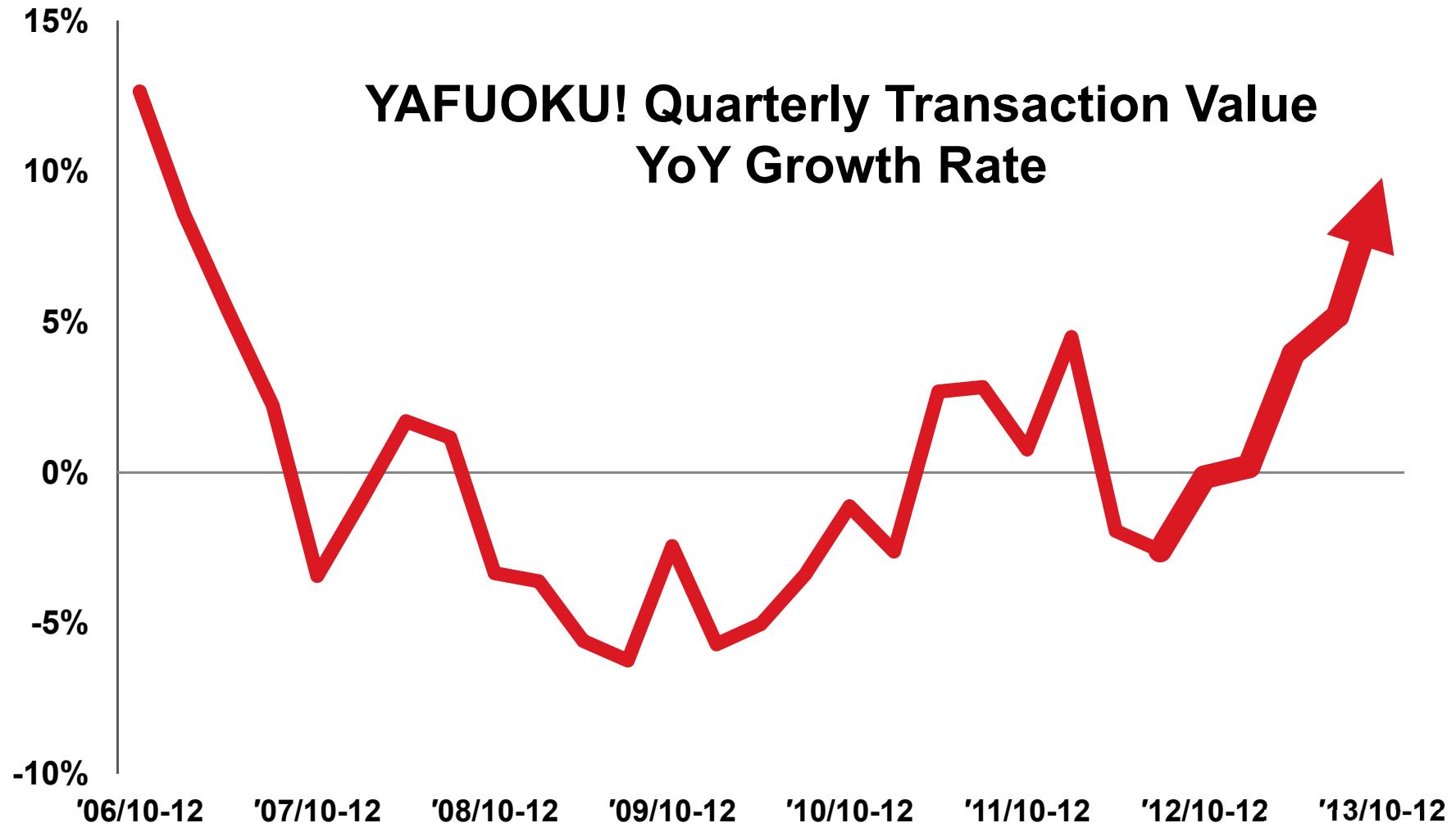


## **YAFUOKU!** (Auction)

- **Number of new bidders increased by  
Approx. 30% YoY**
- **Average winning bid increased by  
Approx. 10% YoY**
- **Transaction value of year-end  
shopping season (Dec. 1<sup>st</sup> - 15<sup>th</sup>)  
reached **record high**.**

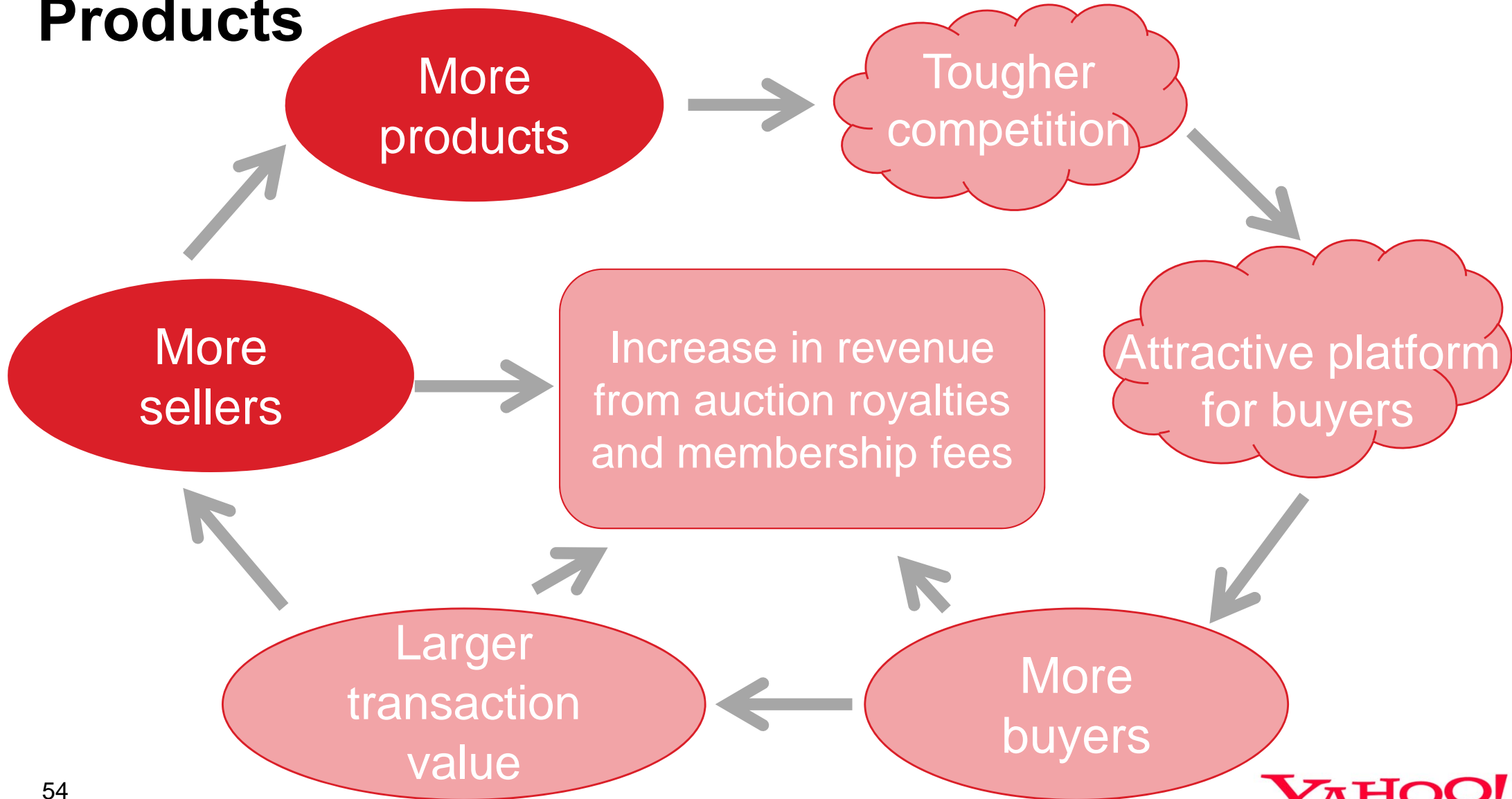
## YAFUOKU! (Auction)

# Yahoo! Shopping Quarterly Transaction Value Growth Rate Recovery Accelerated



## YAFUOKU! (Auction)

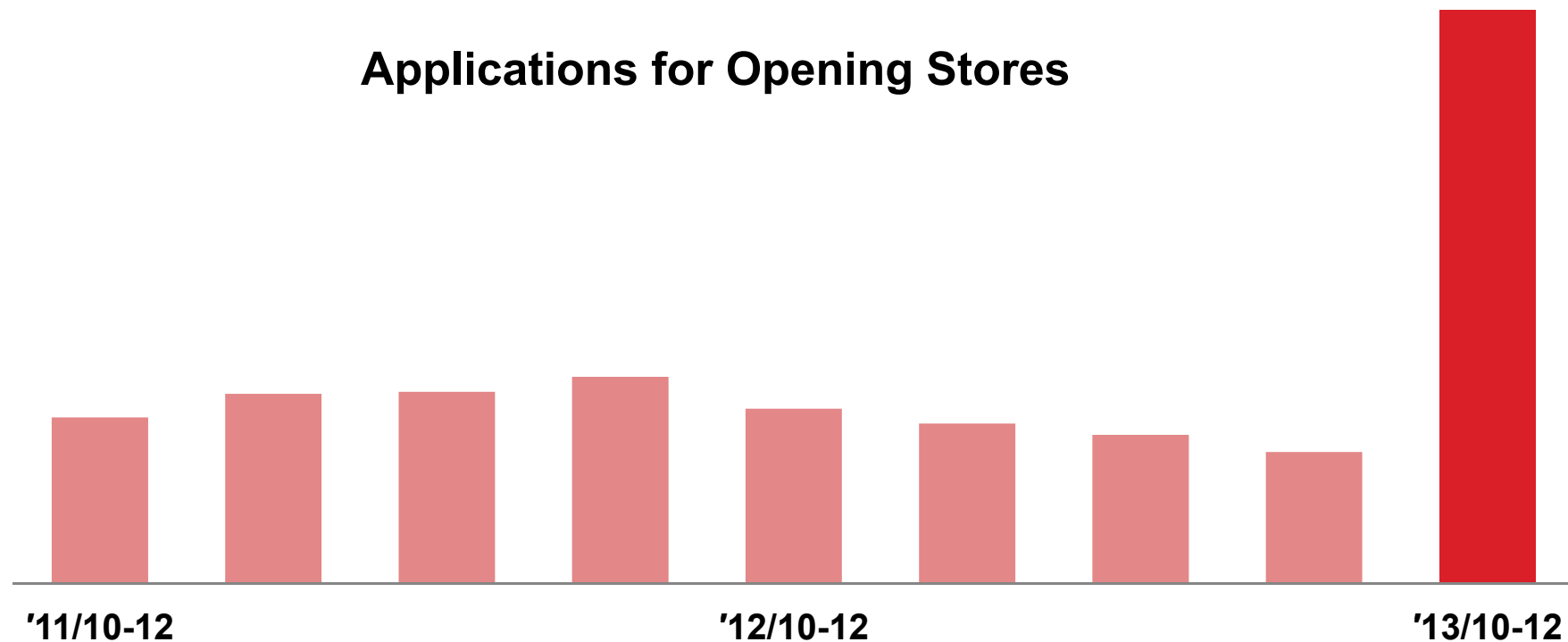
# Will Increase the Number of Both Sellers and Products



## YAFUOKU! (Auction)

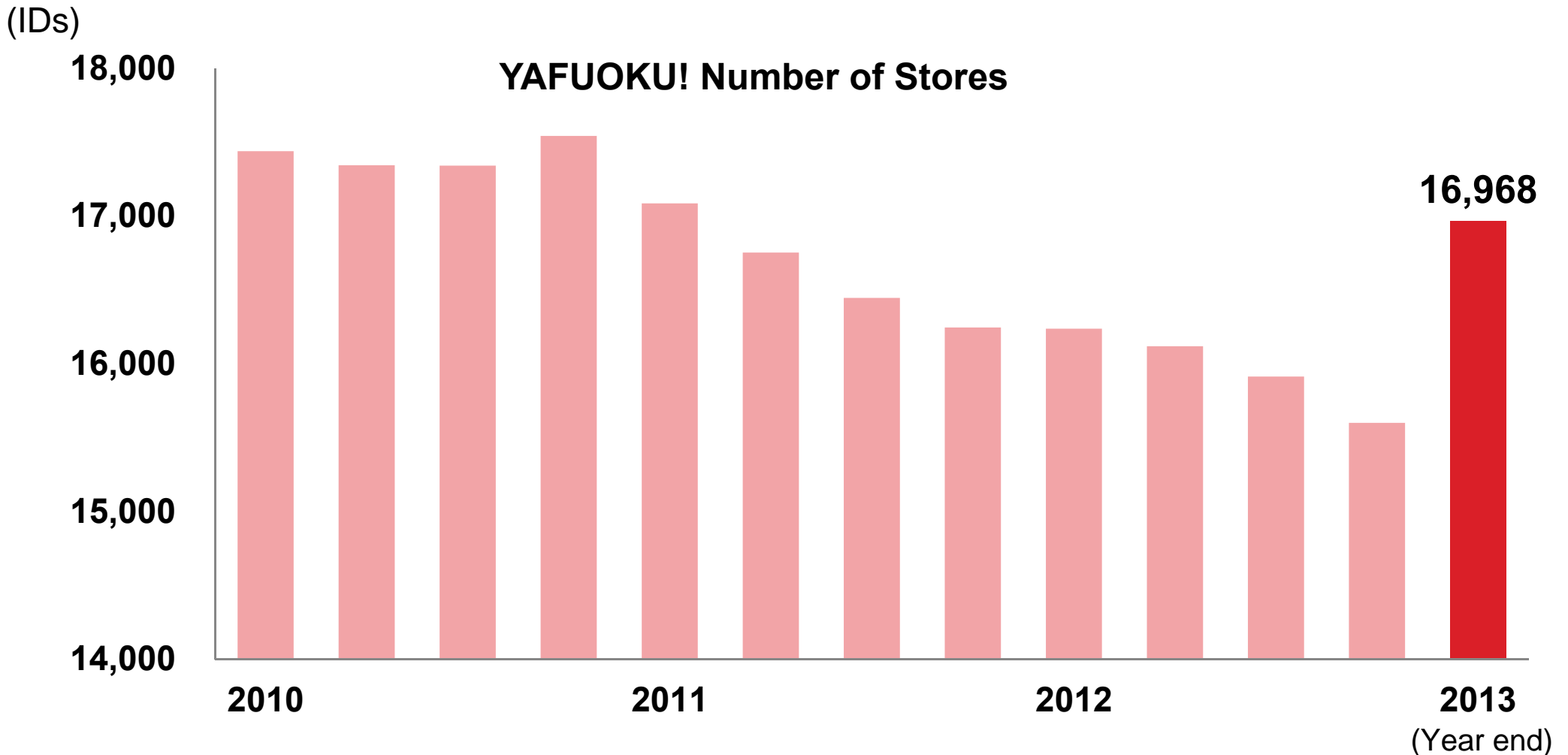
- Quarterly number of applications for opening stores increased **3 times** YoY.
- Number of products increased by **20%** YoY.

Applications for Opening Stores



## YAFUOKU! (Auction)

# Number of Issued Stores IDs Started to Increase Again After an Interval of 2 Years

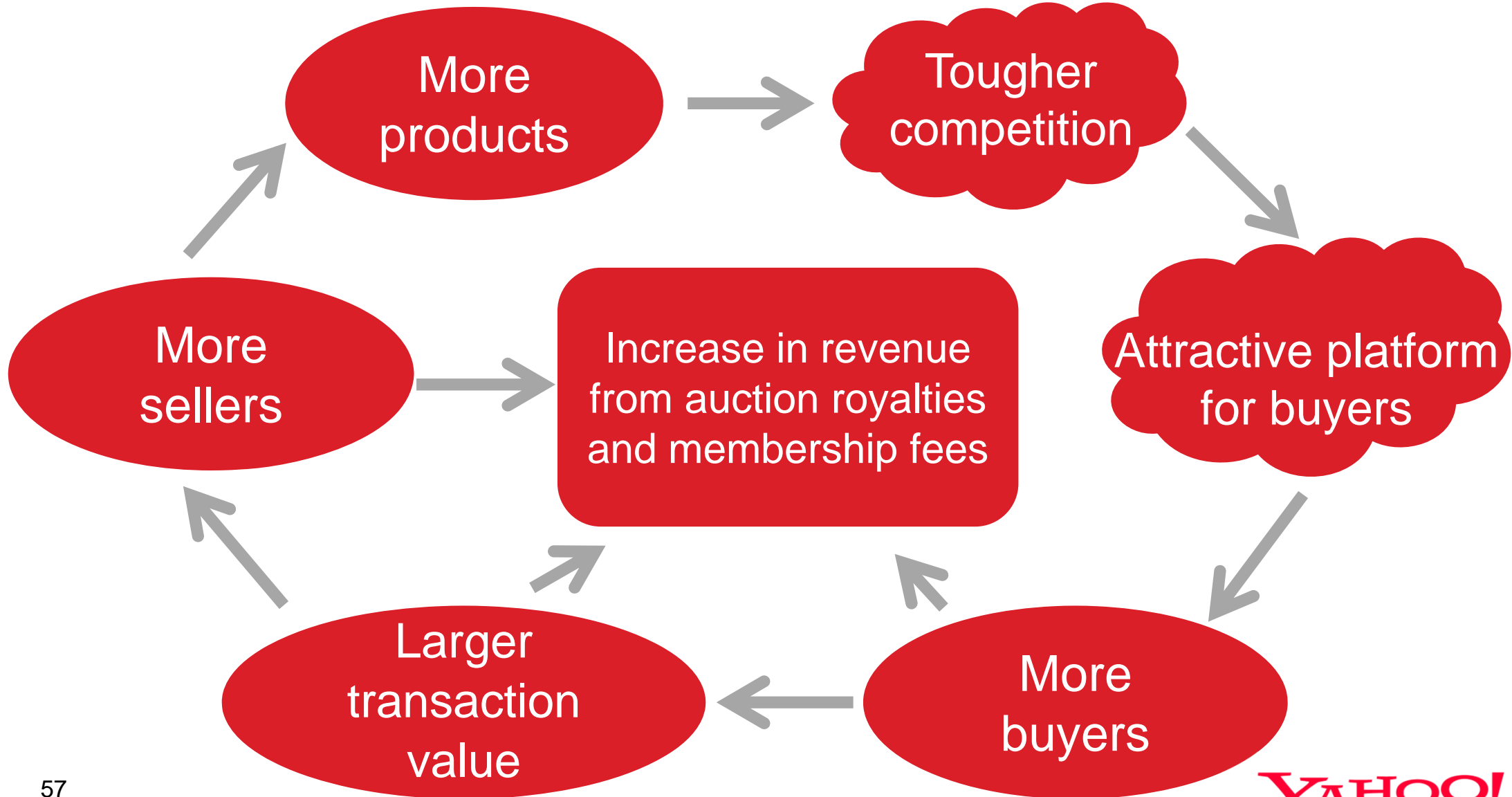


\* Number of accounts issued.  
It includes the number of accounts still preparing the store sites.



## YAFUOKU! (Auction)

Will Increase the Transaction Value and Expand the Revenue from Transaction Royalties and Membership Fees



# To Assure the Safety of the e-Commerce Platform



- **Strengthen patrolling activities for “Yahoo! Shopping” and “YAFUOKU!”**
- **The number of items deleted for violating the guidelines or compensation applications for missed items has not increased so far.**

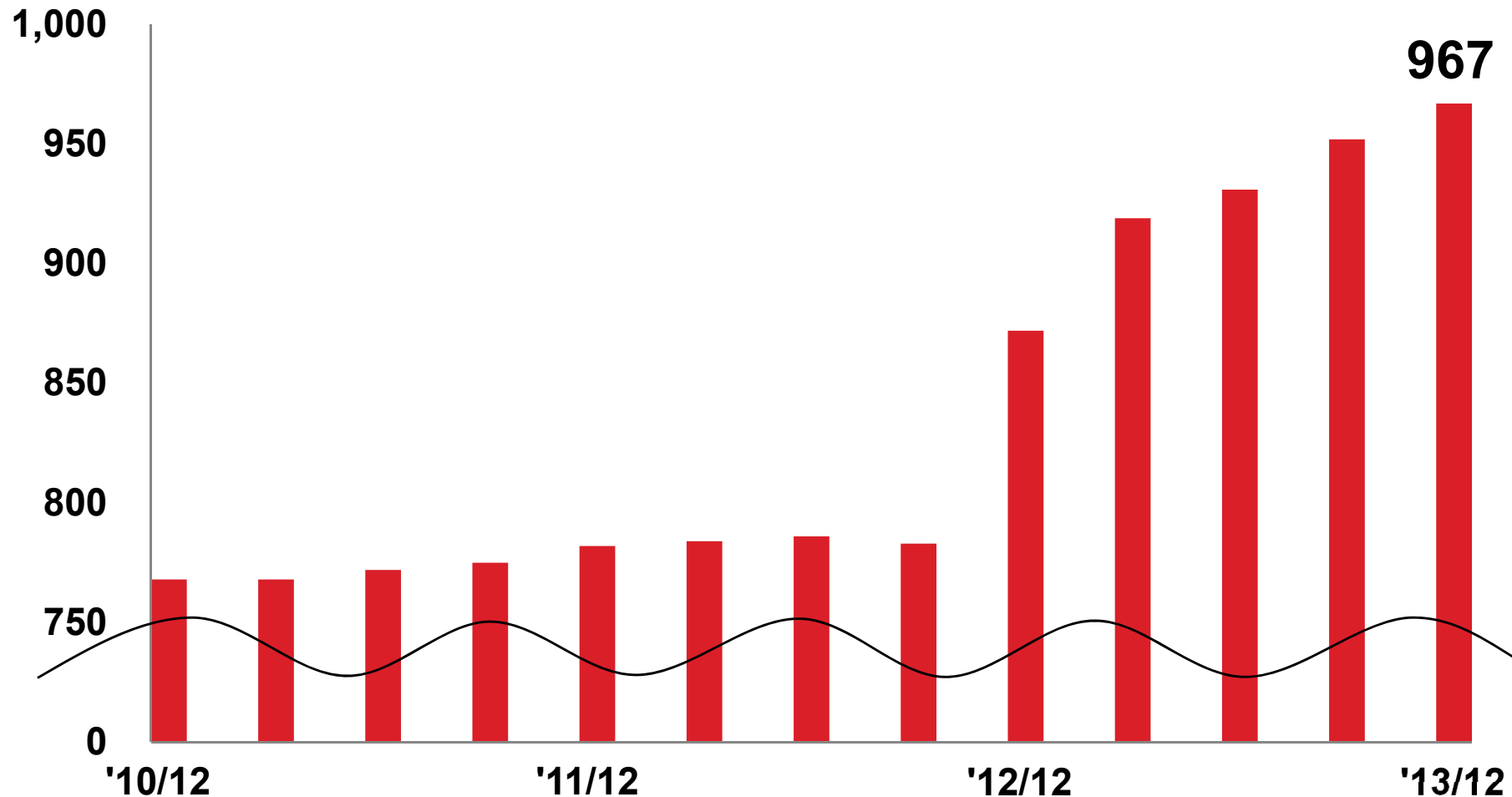


# Premium Membership

# Number of Premium Member IDs Reached 9.67 Million by End of Dec.

Maintained growth trend even after the right to bid on high priced items had been extended to non-premium members.

(10 thousand IDs)



# 「Yahoo! Wi-Fi」

Started offering reasonably-priced pocket WiFi services.

High-speed  
data communication  
using LTE+3G

Receivable on the  
next day at the  
shortest

Free Shipping  
Cost



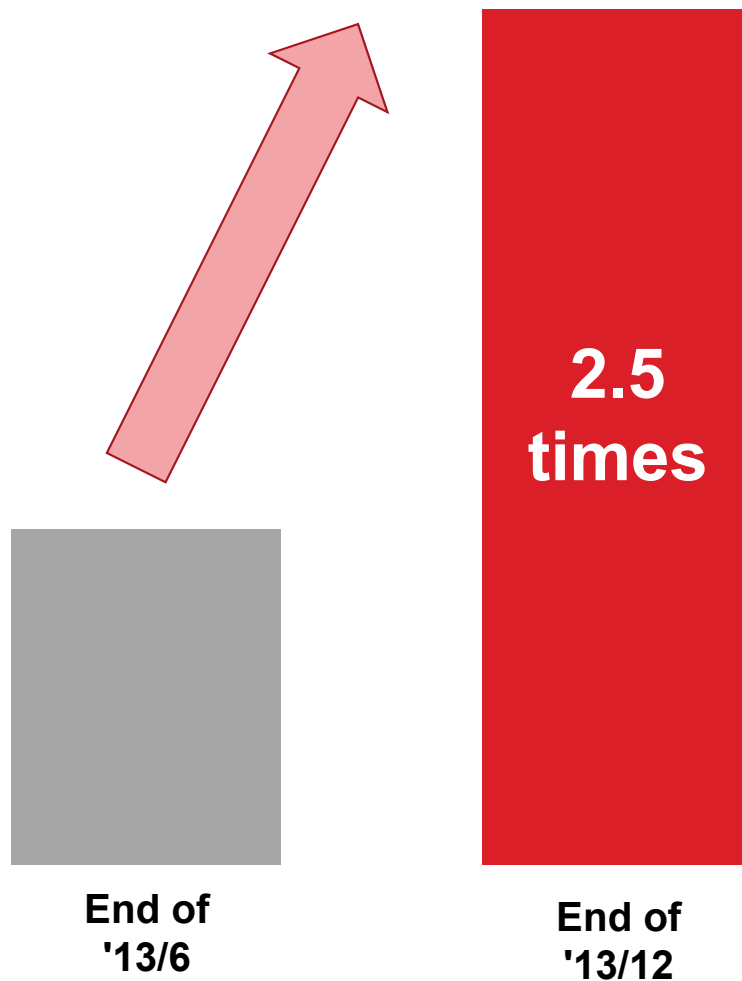
Special price for  
premium members:  
**JPY 2,880 / month**

Provide premium members with  
wonderful Internet environment.

# Settlement & Finance

# Other Businesses

# Linkage Rate of Yahoo! JAPAN ID and T-POINT Increased Dramatically



A promotional banner for the T-POINT x YAHOO! JAPAN partnership. The banner features the text 'Tポイントが Yahoo! JAPANで たまる! 使える!' (T-Points accumulate and can be used on Yahoo! JAPAN!) and 'Tカード番号と生年月日を入力するだけ!' (Just enter your T-card number and date of birth!). A red box at the bottom contains the text 'Tカード番号を登録しよう! 利用手続きはこちら>>' (Register your T-card number! Click here for the usage procedure!).

**Decrease in Profit YoY  
for the First Time  
in Our History**



# **In Order to Expand the Japanese e-Commerce Market and Maximize Profit in the Future, We Proceeded with New e-Commerce Strategies.**

- **Waiving of fees**

Yahoo! Shopping: Monthly tenant fees and royalty fees

YAFUOKU!: Monthly tenant fees and C2C listing fees, etc.

- **Aggressive expenditures on promotion**

# **Growth Rate of Revenues and Profits of Some Businesses Slowing**

- **Paid Search Advertising:  
Effect of the distribution system switch and improvement in matching accuracy leveling off.**
- **Effect of the addition of new subsidiaries' revenues and profits in the 2<sup>nd</sup> half of FY 2012 levelling off.**
- **Effect of the fee raise impact of Yahoo! Premium membership leveling off.**

**Does the Slow-down  
Continue?**

**We have businesses  
which can drive our  
business growth  
from now on**

# e-Commerce

**We aim to be **No.1** in  
transaction value\*  
by FY 201X  
in the expanded Japanese  
e-commerce market.**

\* The total transaction value including shopping-related and auction transactions.

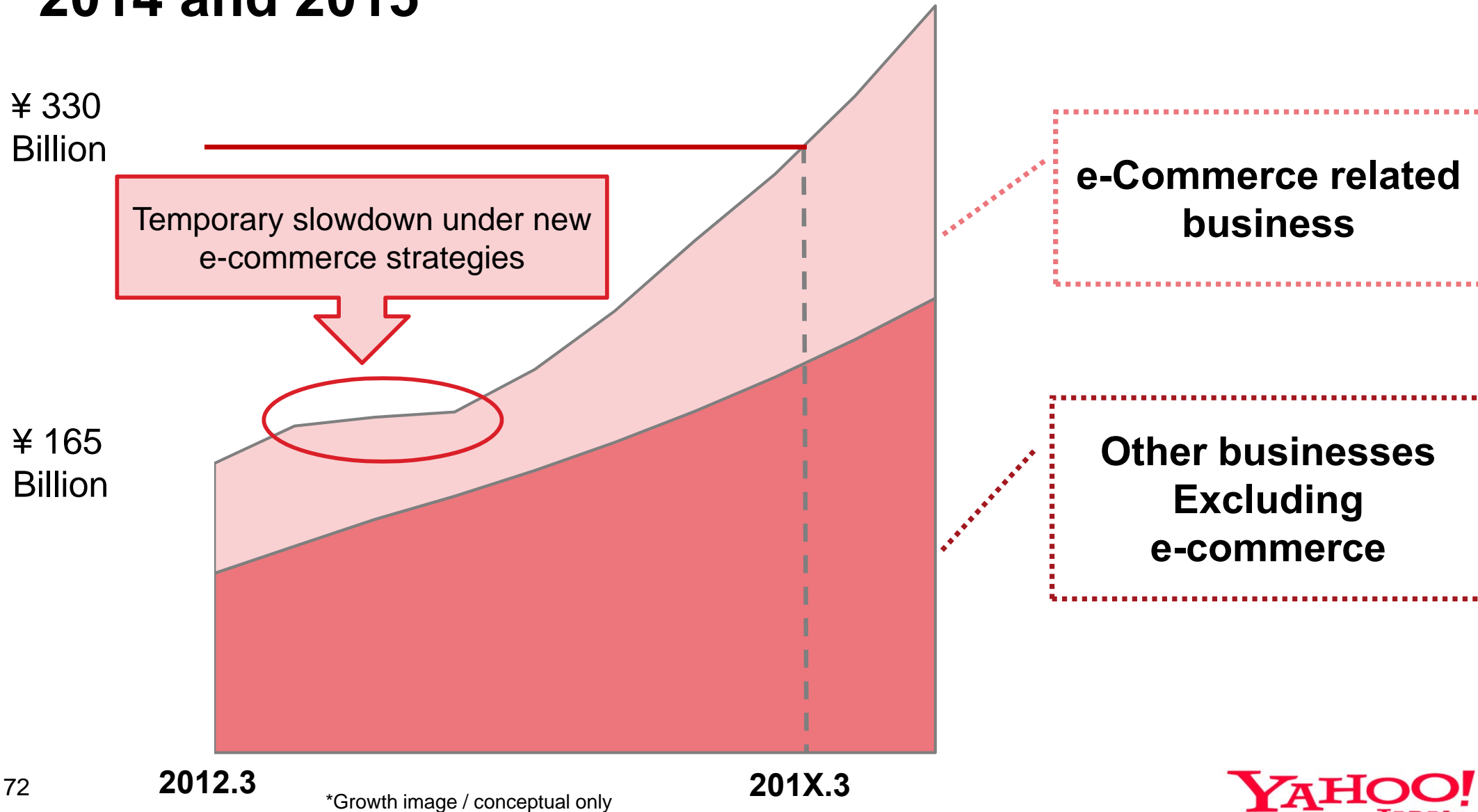
# Advertising

- **Continuous growth in YDN revenue**
- **Premium advertising with Rich Creativity**
- **Aggressive utilization of big data**
- **Expansion of the video advertising**

# Premium Membership

- **Additional value for Yahoo! Premium members**
- **Various new channels to obtain new members**

# We Aim at Rapid Growth in Operating Profit after FY Ending March 2016, although Expect Low-or-Mid-Single-Digit Growth Rate for FY Ending March 2014 and 2015





# Yahoo! JAPAN's Goals Are...

**330 Billion Yen  
in Operating Income  
by FY Ending March 201X.**

**No.1 in Transaction Value  
in the e-Commerce Market  
by FY201X.**

# **Supplemental Information**

**P. 75      Quarterly Business Results**

**P. 89      Quarterly Business Data**

**P. 91      Organization, Personnel and  
Affiliated Companies**

# FY2013-3Q Statements of Income

	2012-3Q	2013-3Q	Change
<b>Revenue</b> (¥100M)	<b>886</b>	<b>968</b>	<b>9.3 %</b>
<b>Cost of Sales</b> (¥100M)	<b>91</b>	<b>122</b>	<b>33.6 %</b>
<b>Gross Profit</b> (¥100M)	<b>794</b>	<b>846</b>	<b>6.5 %</b>
<b>SG&amp;A</b> (¥100M)	<b>294</b>	<b>353</b>	<b>20.0 %</b>
<b>Operating Income</b> (¥100M)	<b>499</b>	<b>492</b>	<b>-1.5 %</b>
<b>Ordinary Income</b> (¥100M)	<b>500</b>	<b>495</b>	<b>-1.1 %</b>
<b>Quarterly Net Income</b> (¥100M)	<b>309</b>	<b>305</b>	<b>-1.4 %</b>
<b>Fully Diluted EPS</b> (¥) *	<b>5.33</b>	<b>5.32</b>	<b>-0.2 %</b>
<b>Number of Shares Assuming Full Dilution</b> (million) * **	<b>5,801</b>	<b>5,734</b>	<b>-1.2 %</b>

\* Yahoo Japan Corporation has implemented a 100-for-1 common share stock split with an effective date of October 1, 2013.  
The figure of the same quarter in the previous year has been retroactively adjusted.

\*\* Number of Shares Assuming Full Dilution excludes treasury stocks.

# FY2013-3Q Performance Breakdown by Business Segment

(¥ 100M)

	Revenue	Revenue Breakdown		Cost of Sales	SG&A	Operating Income	Ordinary Income	Operating Margin	Ordinary Margin
Marketing Solutions Business	<b>689</b>	Advertising	537	<b>133</b>	<b>182</b>	<b>372</b>	<b>374</b>	<b>54.1%</b>	<b>54.3%</b>
		Business Services	108						
		Personal Services	31						
		Intra-Company Revenue	10						
Consumer Business	<b>250</b>	Advertising	11	<b>4</b>	<b>97</b>	<b>149</b>	<b>148</b>	<b>59.4%</b>	<b>59.2%</b>
		Business Services	39						
		Personal Services	193						
		Intra-Company Revenue	6						
Others	<b>57</b>	Advertising	0	<b>6</b>	<b>27</b>	<b>23</b>	<b>23</b>	<b>40.8%</b>	<b>40.6%</b>
		Business Services	14						
		Personal Services	35						
		Intra-Company Revenue	7						
Adjustments	<b>-29</b>	Advertising	-2	<b>-22</b>	<b>46</b>	<b>-53</b>	<b>-50</b>	<b>-</b>	<b>-</b>
		Business Services	-1						
		Personal Services	-						
		Intra-Company Revenue	-24						
<b>Total</b>	<b>968</b>			<b>122</b>	<b>353</b>	<b>492</b>	<b>495</b>	<b>50.8%</b>	<b>51.1%</b>

# Business Segment Breakdown

## Marketing Solutions Business

- **Advertising:** Paid search advertising  
Display advertising (Premium advertising, Interest-based advertising)
- **Business Services:** Data Center-related, Affiliate-related, Yahoo! Real Estate, Automobile-related, Indival, Yahoo! WebHosting and others
- **Personal Services:** Pay digital content, Video-related and others

## Consumer Business

- **Advertising:** Display advertising
- **Business Services:** Corporate system-use fees of YAFUOKU!, Yahoo! Travel, Yahoo! BB incentive fees and others
- **Personal Services:** Yahoo! Premium, Personal system-use fees of YAFUOKU!, Yahoo! BB ISP fees, Yahoo! Partner and others

## Others

- **Advertising:** Display advertising
- **Business Services:** Credit Card-related service, Settlement-related services and others
- **Personal Services:** FX-related service, Credit Card-related service, Settlement-related services, Yahoo! Finance and others

\* Since travel-related and some other services were moved to different companies than before in the third quarter of the fiscal year ending March 2014, some major products have been transferred between segments.

# Quarterly SG&A Breakdown

(¥ 100M)

## Major Factors for YoY Changes

	12/3Q	13/2Q	13/3Q	Composition Ratio	QoQ Change	YoY Change
Personnel Expenses	95	113	109	31.0%	-3.5%	14.9%
Business Commissions	35	39	43	12.3%	10.5%	22.1%
Sales Promotion Costs	25	38	40	11.4%	6.0%	59.8%
Depreciation Expenses	25	27	28	8.1%	4.7%	11.3%
Royalties	25	27	28	8.0%	1.2%	9.4%
Content Provider Fees	17	19	23	6.8%	23.5%	35.9%
Lease and Utility Expenses	18	18	18	5.3%	-0.8%	1.4%
Communication Charges	16	15	14	4.1%	-5.7%	-9.9%
Sales Commissions	12	11	12	3.6%	12.0%	4.1%
Advertising Costs	2	2	8	2.3%	210.8%	262.6%
Administrative and Maintenance Expenses	6	7	7	2.0%	1.4%	15.7%
Amortization of Goodwill	3	6	6	1.8%	4.6%	70.1%
License Fees	1	3	4	1.3%	38.3%	157.3%
Taxes and Public Dues	4	5	3	1.0%	-27.9%	-17.4%
Others	4	6	3	1.0%	-44.2%	-15.7%
<b>SG&amp;A Total</b>	<b>294</b>	<b>341</b>	<b>353</b>	<b>100.0%</b>	<b>3.4%</b>	<b>20.0%</b>

Number of employees reached 6,220, up 476 persons (8.3%)

Increase of operations commission fees for our services

Increase of promotion costs and T-POINT expenses

Increase of search system-related costs

Aggressive promotion including TV commercials, etc.

# FY2013-3Q Balance Sheets

Major Items	2012/12/31	2013/12/31	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
<b>&lt; Assets &gt;</b>					
Current Assets	4,720	6,110	1,390	Cash from operating activities and collection of receivables from sales of shares of BB Mobile Corp.	
Cash and Cash Equivalents	2,682	4,299	1,617		
Notes and Accounts Receivable - Trade	522	565	43	Collection of receivables related to sales of shares of BB Mobile Corp.	
Notes and Accounts Receivable - Other	1,229	32	-1,197		
Foreign Exchange Dealings Cash Segregated as Deposits for Customers	-	776	776	Consolidation of CyberAgent FX, Inc.	
Fixed Assets	1,508	1,777	268	Consolidation of CyberAgent FX, Inc.	
Tangible Fixed Assets	415	495	80		
Intangible Fixed Assets	158	290	132	Acquisition and rising market value of investment securities	
Investment Securities	782	858	75		
<b>Total Assets</b>	<b>6,229</b>	<b>7,888</b>	<b>1,659</b>		
<b>&lt; Liabilities &gt;</b>					
Current Liabilities	827	1,843	1,015	Consolidation of CyberAgent FX, Inc.	
Accounts Payable - Other	166	222	55		
Income Taxes Payable	199	220	21		
Foreign Exchange Dealings Deposits from Customers	-	845	845		
Long-term Liabilities	28	29	0		
<b>Total Liabilities</b>	<b>856</b>	<b>1,873</b>	<b>1,016</b>		
<b>&lt; Net Assets &gt;</b>					
Shareholders' Equity	5,269	5,880	610	Increase in net income	
Common Stock	80	82	2		
Capital Surplus	31	33	2	Buyback of Treasury Stocks	
Retained Earnings	5,214	5,983	768		
Treasury Stocks	-56	-217	-161		
Accumulated Other Comprehensive Income	23	51	28		
Minority Interests	71	76	4		
<b>Total Net Assets</b>	<b>5,372</b>	<b>6,015</b>	<b>643</b>		
<b>Total Liabilities and Net Assets</b>	<b>6,229</b>	<b>7,888</b>	<b>1,659</b>		

# FY2013-3Q Cash Flow Statements

Major Items	FY2013-3Q (Oct. - Dec. 2013)	Major Factors for Changes	(¥ 100M)
<b><u>Operating Activities</u></b>	<b><u>106</u></b>		
Quarterly Net Income before Income Taxes	490	Increase in quarterly net income before income taxes	
Depreciation Expenses	35		
Amortization of Goodwill	6		
Accounts Receivable and Payable -Trade	-87		
Other Current Assets/Liabilities	3		
Payment of Income Taxes and Other Taxes	-338		
<b><u>Investing Activities</u></b>	<b><u>-77</u></b>		
Acquisition of Tangible Fixed Assets	-46	Construction of data center and others	
Acquisition of Intangible Fixed Assets	-7		
Acquisition of Investment Securities	-24		
<b><u>Financing Activities</u></b>	<b><u>-214</u></b>		
Acquisition of Treasury Stocks	-214		
<b><u>Net Change in Cash Flows</u></b>	<b><u>-182</u></b>		



# Approximate values for FY2013-3Q Statements of Income under IFRS (reference only)

(¥ 100M)

	JGAAP	IFRS	Increase (Decrease) due to migration	Major Factors
<b>Revenue</b>	<b>968</b>	<b>1,030~1,050</b>	<b>+ 60~ 80</b>	Advertisement TAC(Traffic Acquisition Cost), Settlement commission and others are posted as gross.
<b>Cost of Sales</b>	<b>122</b>	<b>180~200</b>	<b>+ 60~ 80</b>	Same as above
<b>Gross Profit</b>	<b>846</b>	<b>846</b>	Almost no change	
<b>SG&amp;A</b>	<b>353</b>	<b>345~350</b>	- Several ¥ 100M	-Goodwill amortization halted -Other income/expenses (replacing non-operating income/loss and extraordinary gain/loss items) -Change in fixed asset depreciation method
<b>Operating Income</b>	<b>492</b>	<b>495~500</b>	+ Several ¥ 100M	Same as above
<b>Quarterly Net Income</b>	<b>305</b>	<b>310~320 (1)</b>	Around + ¥ 1Billion	Goodwill amortization after halted

(1) Profit attributable to owners of the parent.

\* The values above are rough calculation for understanding the difference between Japan's standards and IFRS for Statements on Income. Official retroactive data will be disclosed later and more accurate.

# FY2013-3Q Highlights

## – Marketing Solutions Business (1)

### ■ Paid search advertising

(Paid search advertising [Sponsored Search])

- Paid search advertising revenue grew by 7.7% from the third quarter last year.
- Smartphone advertising revenue expanded substantially year on year due to such measures as promoting search service usage for smartphone.

### ■ Display advertising

(Premium advertising, Interest-based advertising [Yahoo! Display Ad Network] (YDN))

- Interest-based advertising revenue expanded sharply year on year.
- In Brand Panel, revenue of Top Impact and other advertising products with a highly effective branding impact increased.
- As a result, overall revenue at display advertising rose by 25.9% compared with the third quarter last year.

(¥ 100M)

Marketing Solutions Business	2012-3Q	2013-3Q	YoY Change
Revenue	608	689	13.3%
Operating Income	341	372	9.3%

# FY2013-3Q Highlights

## – Marketing Solutions Business (2)

### ■ Business Services

- Revenue increased year on year due to consolidation of Carview Corporation.
- IDC Frontier Inc.'s revenue expanded year on year, supported by greater use of its cloud computing service by game-related companies.
- With the December 2012 termination of the contract with Recruit Holdings Co., Ltd., Indival, Inc. 's operations have become the core for developing recruiting-related operations. Revenue declined compared with the same quarter last year.

### ■ Personal Services

- Game-related revenue rose from the third quarter last year.  
In addition to the existing game titles, revenue from new titles also grew favorably.

# FY2013-3Q Highlights

## – Consumer Business

### ■ Business Services

- Yahoo! Shopping made store tenant and royalty fees free of charge, leading to a significant decrease in year-on-year revenue. On the positive side, the number of applications to open new stores exceeded 90,000.
- YAFUOKU's transaction value expanded by about 10% year on year, as a result of its new strategies and aggressive promotion activities.

### ■ Personal Services

- Yahoo! Premium revenue rose year on year because of an increase in the number of Yahoo! Premium members resulting from the start of registration through Softbank shops. The number of Yahoo! Premium membership IDs on December 31, 2013 climbed to 9.67 million IDs.

(¥ 100M)

Consumer Business	2012-3Q	2013-3Q	YoY Change
Revenue	268	250	-6.7%
Operating Income	198	149	-25.0%

# Advertising Products

Advertising Products (Main Purpose)		Main Format	Fee Calculation	Placement Pages	Main Advertiser Base
Paid Search Advertising “Sponsored Search” (Sales Promotion)		Text	Per Click  (per-click rate determined by keyword auction bid price)	Search results pages	Major corporations
Display Advertising	Interest-based Advertising “Yahoo! Display Ad Network”(YDN) (Sales Promotion)	Text Banner		Top page	Small and medium-sized companies
	Premium Advertising (Branding and image enhancement)	Banner	Per impressions (Page views)  (per-impression rate determined by contract)	Contents pages	Major corporations

# Paid Search Advertising Revenue by Industry

## Industries with large year-on-year increase

- Department Stores/Mail Order/Shopping Malls
- Transportation/Leisure
- Interior/Gardening/Renovation/DIY

## Industries with large year-on-year decrease

- Education/University

	12/3Q	4Q	13/1Q	2Q	3Q
Department Stores/Mail Order/Shopping Malls	9.3%	7.8%	7.4%	7.4%	9.5%
Transportation/Leisure	9.4%	9.8%	11.1%	12.3%	9.5%
Finance/Insurance/Securities	8.8%	10.0%	10.1%	9.1%	8.7%
Real Estate/Housing/Household Equipment	6.7%	8.2%	6.6%	6.7%	6.3%
Medical, Welfare, Health and Beauty	5.8%	5.5%	6.3%	6.1%	5.8%
Cosmetics/Toiletries/Health Foods and Appliances	5.8%	5.3%	6.4%	6.0%	5.6%
Fashion/Accessories	5.3%	4.2%	4.6%	4.5%	5.2%
Recruitment and Human Resources Services	5.3%	5.0%	5.1%	5.1%	5.1%
Education/University	4.8%	5.4%	5.0%	4.7%	4.4%
Information Processing/Software/Internet Information Service	4.0%	3.6%	3.8%	4.2%	3.8%
Interior/Gardening/Renovation/DIY	3.6%	3.4%	3.9%	3.6%	3.8%
Autos and Accessories (Transport Equipment)	3.0%	3.4%	2.8%	2.8%	2.8%
Others	28.2%	28.4%	26.9%	27.5%	29.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Premium Advertising Revenue by Industry

## Industries with large year-on-year increase

- Computers and Accessories/Office Equipment
- Internet Information Service/E-mail Service
- Fashion/Accessories

## Industries with large year-on-year decrease

- Government/Organizations
- Cosmetics/Toiletries
- Transportation/Leisure

	12/3Q	4Q	13/1Q	2Q	3Q
<b>Autos and Accessories (Transport Equipment)</b>	<b>11.3%</b>	<b>10.5%</b>	<b>10.1%</b>	<b>11.3%</b>	<b>10.8%</b>
<b>Finance/Insurance/Securities</b>	<b>11.7%</b>	<b>10.8%</b>	<b>11.2%</b>	<b>10.9%</b>	<b>10.7%</b>
<b>Transportation/Leisure</b>	<b>11.3%</b>	<b>11.5%</b>	<b>9.0%</b>	<b>10.8%</b>	<b>10.3%</b>
<b>Real Estate/Construction</b>	<b>10.5%</b>	<b>11.7%</b>	<b>12.1%</b>	<b>11.9%</b>	<b>9.6%</b>
<b>Foodstuffs</b>	<b>7.3%</b>	<b>7.1%</b>	<b>10.3%</b>	<b>8.1%</b>	<b>7.7%</b>
<b>Cosmetics/Toiletries</b>	<b>8.7%</b>	<b>7.1%</b>	<b>10.7%</b>	<b>9.0%</b>	<b>7.5%</b>
<b>Computers and Accessories/Office Equipment</b>	<b>1.9%</b>	<b>2.3%</b>	<b>3.0%</b>	<b>2.3%</b>	<b>5.1%</b>
<b>Mobile Communications Service</b>	<b>5.4%</b>	<b>11.6%</b>	<b>3.7%</b>	<b>5.0%</b>	<b>4.6%</b>
<b>Beverages/Cigarettes</b>	<b>3.3%</b>	<b>3.5%</b>	<b>6.6%</b>	<b>4.0%</b>	<b>4.0%</b>
<b>Fashion/Accessories</b>	<b>3.0%</b>	<b>1.7%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>3.7%</b>
<b>Internet Information Service/E-mail Service</b>	<b>2.1%</b>	<b>3.7%</b>	<b>1.5%</b>	<b>1.3%</b>	<b>3.1%</b>
<b>Home Electronics/AV Equipment</b>	<b>3.7%</b>	<b>1.1%</b>	<b>2.6%</b>	<b>1.6%</b>	<b>3.1%</b>
<b>Others</b>	<b>19.8%</b>	<b>17.4%</b>	<b>17.8%</b>	<b>22.4%</b>	<b>19.8%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Because the calculation of the revenue of e-commerce-related advertising by industry has become impossible, we have excluded the revenue in the calculation of the revenue composition ratio in the 2013 third quarter. Prior data has been retroactively adjusted to the current constraints.

# YDN and other Advertising Revenue by Industry

## Industries with large year-on-year increase

- Cosmetics/Toiletries/Health Foods and Appliances
- Finance/Insurance/Securities
- Real Estate/Housing/Household Equipment

	12/3Q	4Q	13/1Q	2Q	3Q
Finance/Insurance/Securities	28.5%	29.0%	29.4%	23.0%	21.8%
Cosmetics/Toiletries/Health Foods and Appliances	16.6%	17.5%	21.1%	18.2%	17.5%
Real Estate/Housing/Household Equipment	6.1%	7.5%	6.0%	8.4%	8.0%
Recruitment and Human Resources Services	3.3%	4.1%	4.2%	6.1%	5.5%
Information Processing/Software/Internet Information Service	2.9%	3.3%	3.9%	3.8%	4.7%
Education/University	3.0%	3.7%	3.4%	5.2%	4.6%
Medical, Welfare, Health and Beauty	4.1%	4.3%	4.4%	4.5%	4.3%
Transportation/Leisure	4.0%	4.5%	4.0%	4.4%	3.4%
Autos and Accessories (Transport Equipment)	2.9%	3.6%	2.3%	2.9%	2.7%
Wedding, Matching and Ceremonial Services	2.1%	1.6%	1.9%	2.4%	2.2%
Department Stores/Mail Order/Shopping Malls	0.7%	0.8%	0.9%	1.1%	2.2%
Fashion/Accessories	1.9%	1.7%	1.5%	1.6%	2.1%
Others	23.9%	18.4%	17.0%	18.4%	21.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Part of advertising revenue is not categorized.





# Quarterly Business Data (1)

Indicator (Quarterly average)	2012/3Q	2013/3Q
Number of total monthly page views (millions)	51,007	55,149
Number of total monthly smartphone page views (millions)(1)	10,319	17,622
Number of Daily UBs (Unique Browsers) (millions)(2)	54.16	63.59
Number of smartphone Daily UBs (millions)(1)(2)	17.21	28.07
Number of monthly active user IDs (millions)(3)	27.22	27.62
Number of Yahoo! Premium member IDs (quarter-end)(millions)	8.72	9.67

- (1) “Smartphone” page views and Daily UBs include access through iPhones/iPods, Android smartphones (with screen sizes of less than 7 inches), and Windows Phones. They do not include page views using iPads or Android tablets. They also do not include some access via smartphone applications.
- (2) The cumulative total number of browsers accessing Yahoo! JAPAN. Access via smartphone applications is recorded separately from access via smartphone browsers.
- (3) Number of Yahoo! JAPAN IDs that are logged in each month.

## Quarterly Business Data (2)

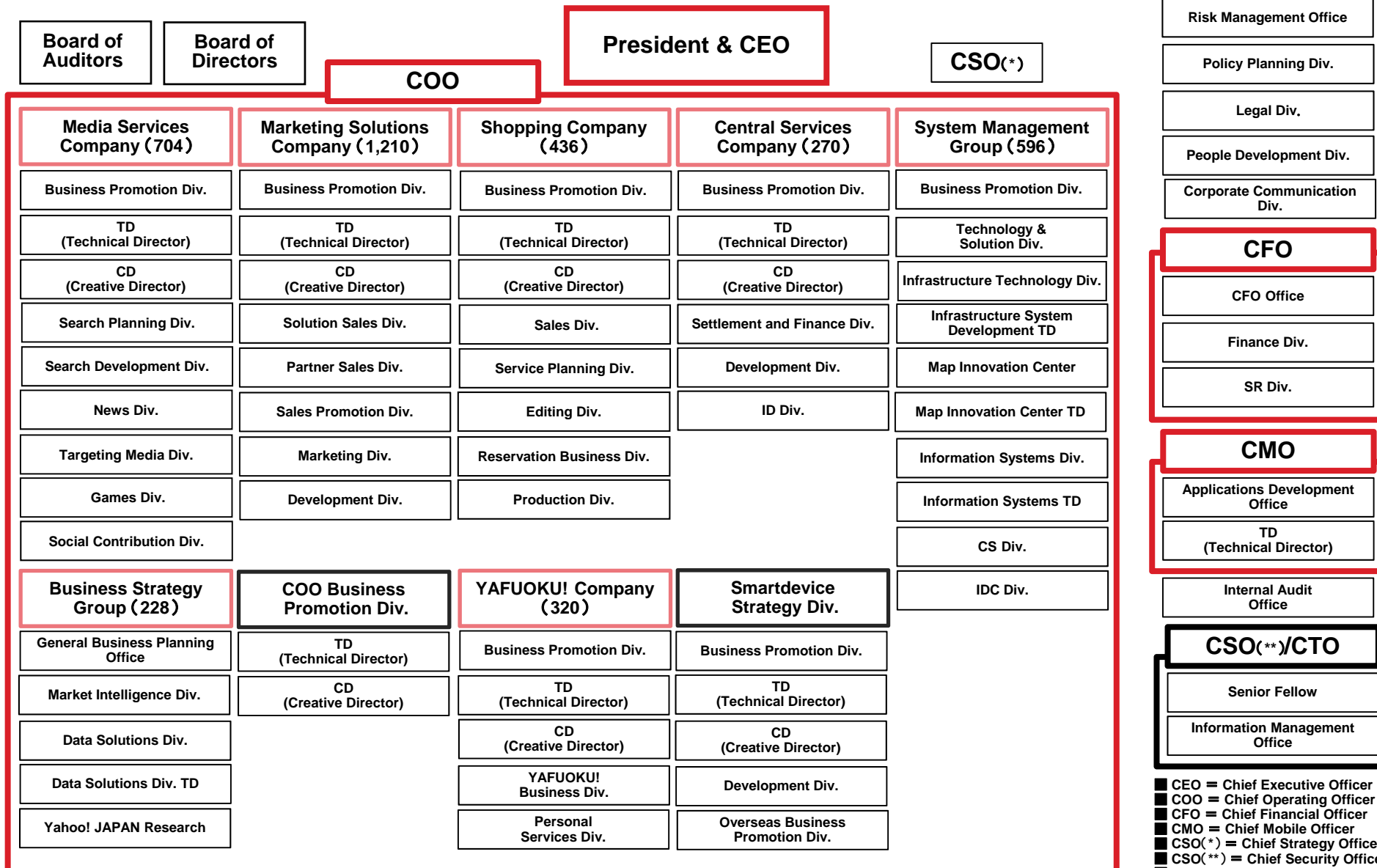
Indicator (Quarterly total)	2012/3Q	2013/3Q
Transaction value of YAFUOKU! (100 millions of yen)	1,823	2,001
Transaction value of shopping-related (100 millions of yen)	838	866
Transaction value of YAFUOKU! and shopping-related (100 millions of yen)	2,661	2,867
Transaction value of YAFUOKU! and shopping-related via smartphones (100 millions of yen)	576	861
Transaction value of e-commerce (100 millions of yen)(1)	4,305	4,618
Number of quarter-end YAFUOKU! stores (IDs)(2)	16,238	16,968
Number of quarter-end Yahoo! Shopping stores (IDs)(2)	20,408	29,411

(1) Including transaction value of YAFUOKU!, shopping-related, Yahoo! Wallet, Yahoo! Card, pay digital contents and others. Transaction value for FX business not included.

(2) Numbers of YAFUOKU! and Yahoo! Shopping stores are based on accounts issued. They include the number of accounts still preparing to launch store sites.

# Organization Chart of Yahoo Japan Corporation

As of January 1, 2014



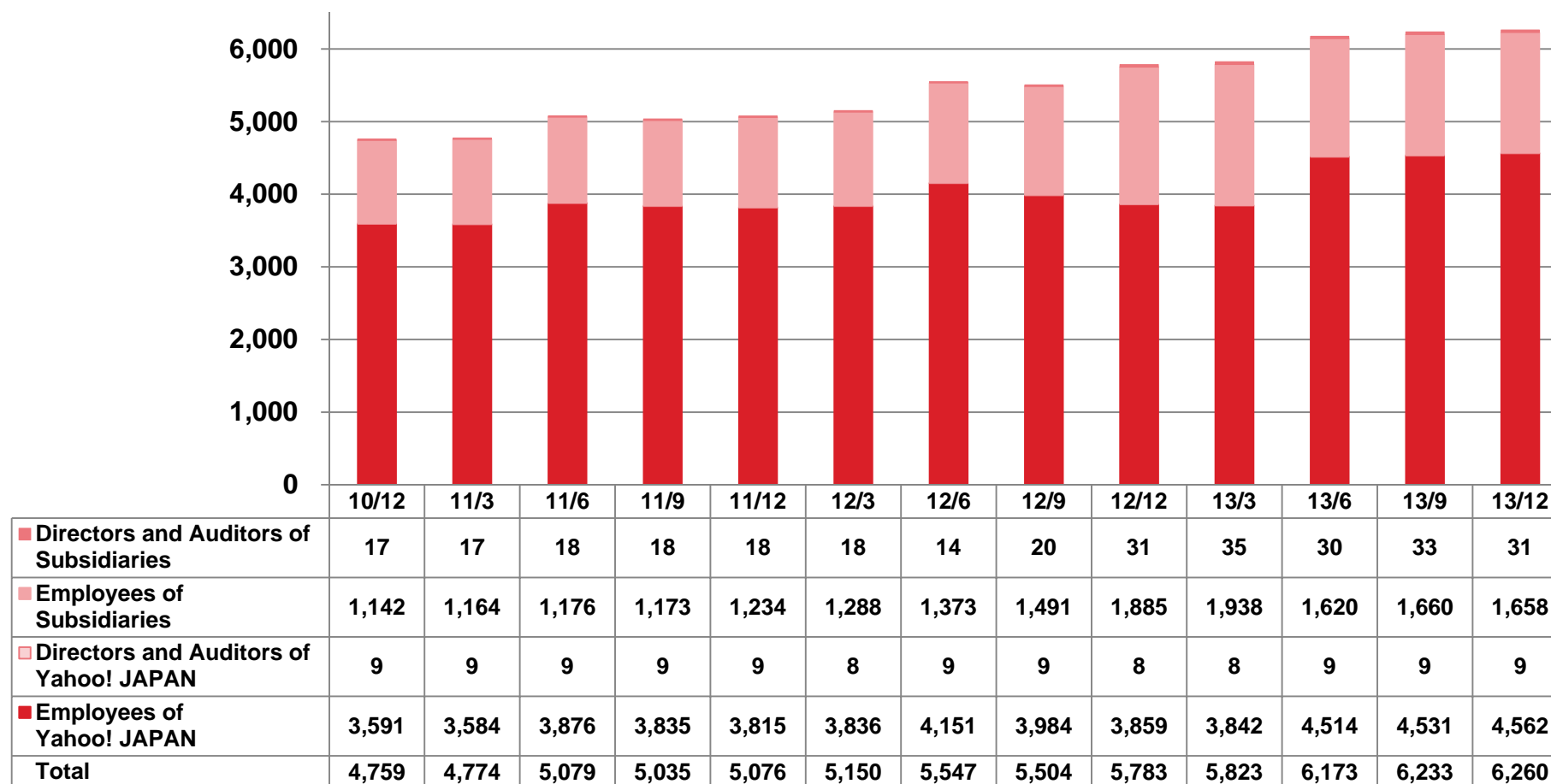
- CEO = Chief Executive Officer
- COO = Chief Operating Officer
- CFO = Chief Financial Officer
- CMO = Chief Mobile Officer
- CSO(\*) = Chief Strategy Officer
- CSO(\*\*) = Chief Security Officer
- CTO = Chief Technology Officer



# Number of Directors and Employees

(Number of People)

(at the End of Quarter)



\* The above figures of employees include staff who have been dispatched.

# Consolidated Subsidiaries and Companies Accounted for by the Equity Method

(as of December 31, 2013)

## •Major consolidated subsidiaries at the end of FY2013-3Q

- ◆ Carview Corporation
- ◆ Crocos, Inc.
- ◆ Firstserver, Inc
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd
- ◆ ValueCommerce Co., Ltd.
- ◆ YJ Capital Inc.
- ◆ Y's Sports Inc.
- ◆ Community Factory Inc.
- ◆ CyberAgent FX, Inc.
- ◆ GyaO CORPORATION
- ◆ Indival, Inc.
- ◆ Ocenyc Inc.
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ Y's Insurance Inc.

## •Major companies accounted for by the equity method at the end of FY2013-3Q

- ◆ AnimatiC Inc.
- ◆ Classified, Inc.
- ◆ GxYz, Inc.
- ◆ KAKAO JAPAN Corporation
- ◆ Tavigator, Inc.
- ◆ ASKUL Corporation
- ◆ CRITEO K.K.
- ◆ JWord Inc.
- ◆ MACROMILL, INC.
- ◆ 4travel, Inc.



Yahoo Japan Group IR information is available at :  
**<http://ir.yahoo.co.jp/en/>**