

Yahoo Japan Corporation
FY2013 Full Year & 4Q Business Results
(Apr. 2013-Mar. 2014/Jan.-Mar. 2014)

April 25, 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, 2014.”

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

FY2013

Business Results

FY2013 Financial Highlights

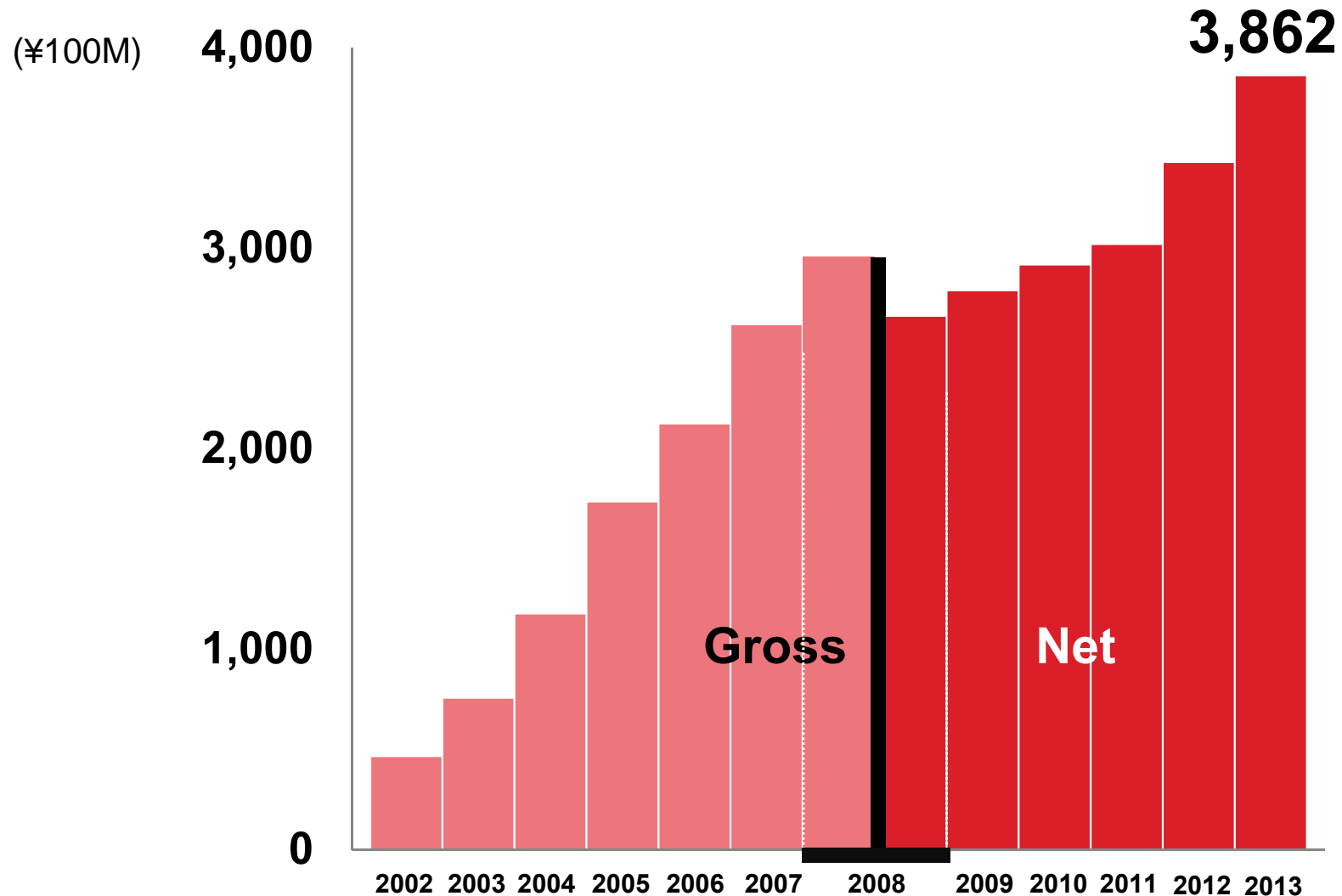
- Achieved revenue and profit YoY growth due to favorable advertising business.
- Proceeded with new strategies in e-commerce business and obtained expected results.

(¥100M)

	FY2012	FY2013	YoY Change	Change Contributors
Revenue	3,429	3,862	12.6%	<ul style="list-style-type: none"> · Advertising revenue grew. · Yahoo! Premium membership revenue increased. · e-commerce related revenue decreased under our new strategies.
Operating Income	1,863	1,974	5.9%	Cost increased due to consolidation of new subsidiaries and under our new e-commerce strategies.
Ordinary Income	1,886	1,976	4.8%	-
Net Income	1,150	1,251	8.8%	Extraordinary gains due to sales of investment securities.

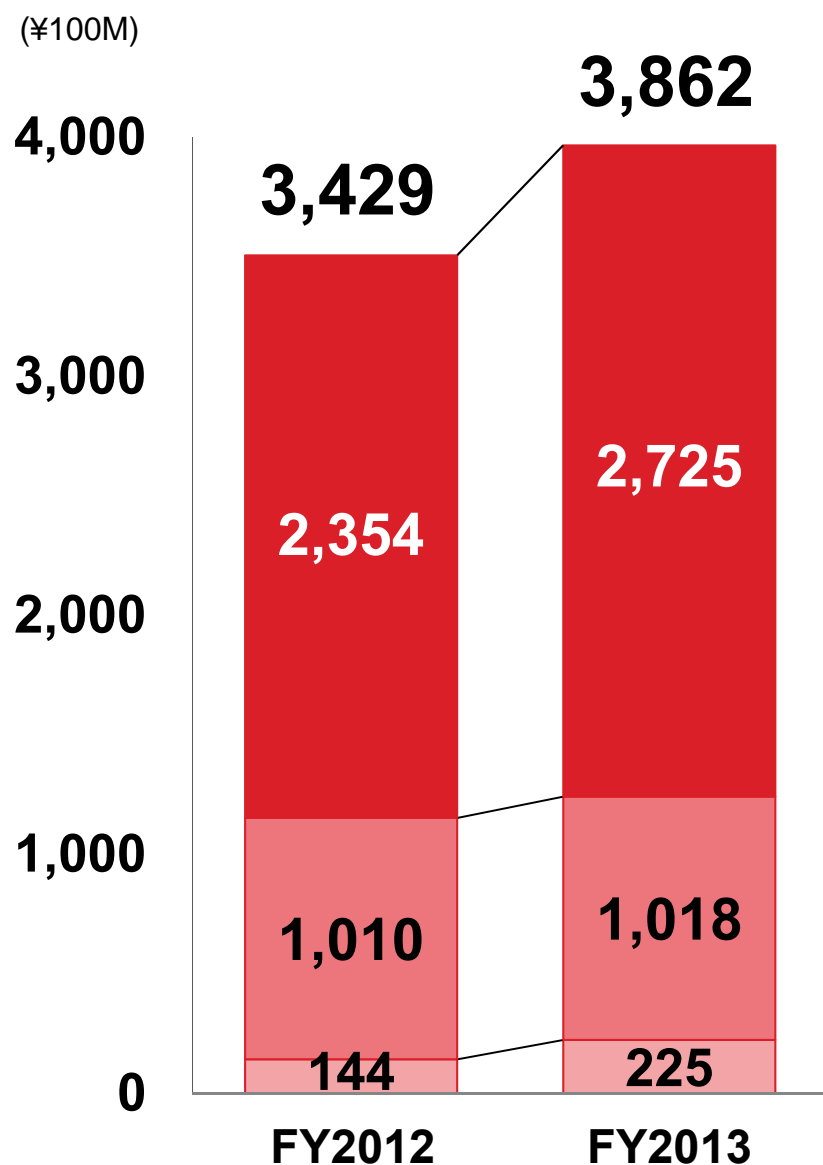
Annual Revenue

Net Revenue up 17 consecutive years since the start of services



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

Annual Revenue Breakdown



Total **+432** (¥100M)
+12.6%

Marketing Solutions Business **+15.8%**

Advertising revenue increased.

Consumer Business **+0.8%**

Yahoo! Premium membership revenue grew.
e-Commerce-related revenue decreased
under our new strategies.

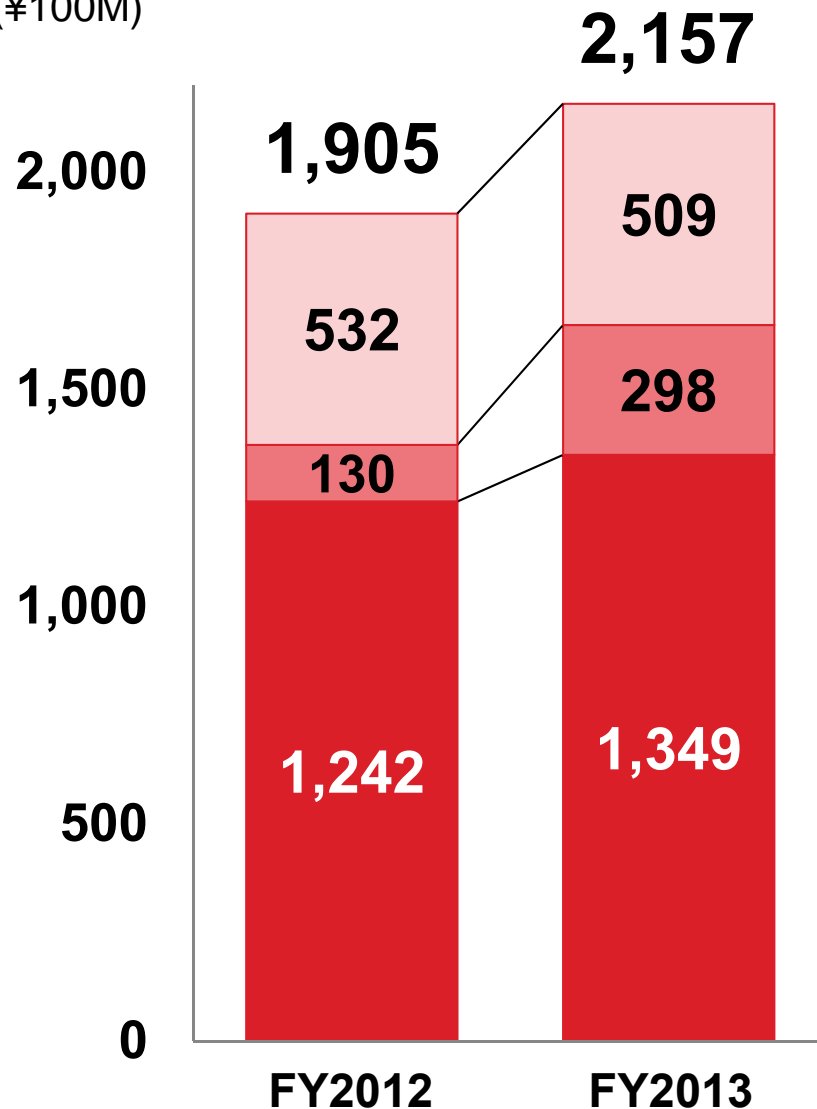
Other Business **+56.4%**

FX business and credit card business
proceeded favorably.

6 *Figures for Adjustments are not shown on the chart.
*Previous and comparative data have been adjusted retroactively to the current segments.

Annual Advertising-related Revenue

(¥100M)



Total **+252** (¥100M)
+13.3%

Display Advertising +22.0%

■ Premium advertising revenue -4.3%

Revenue of advertising products excluding “Brand Panel” was mediocre.

■ YDN and others +129.7%

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

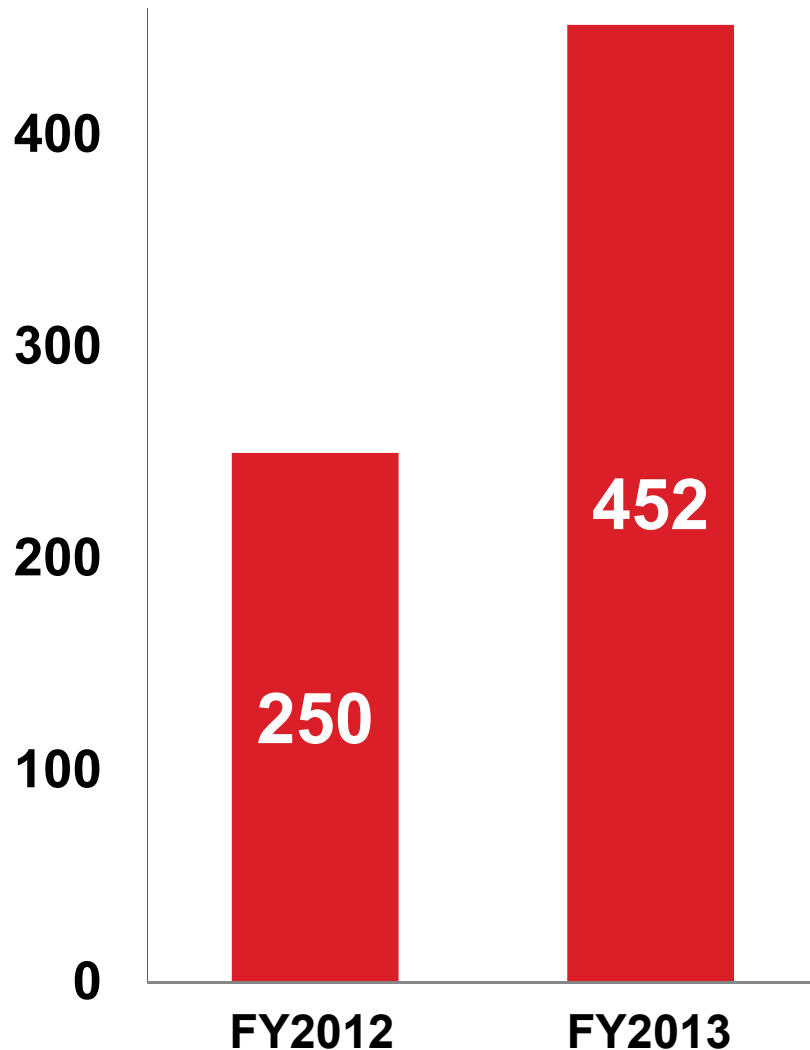
Paid Search Advertising

■ Sponsored Search +8.6%

Smartphone advertising revenue rose.

Annual Advertising-related Revenue via Smartphones

(¥100M)



Smartphone advertising revenue
+201 (¥100M)
+80.7%

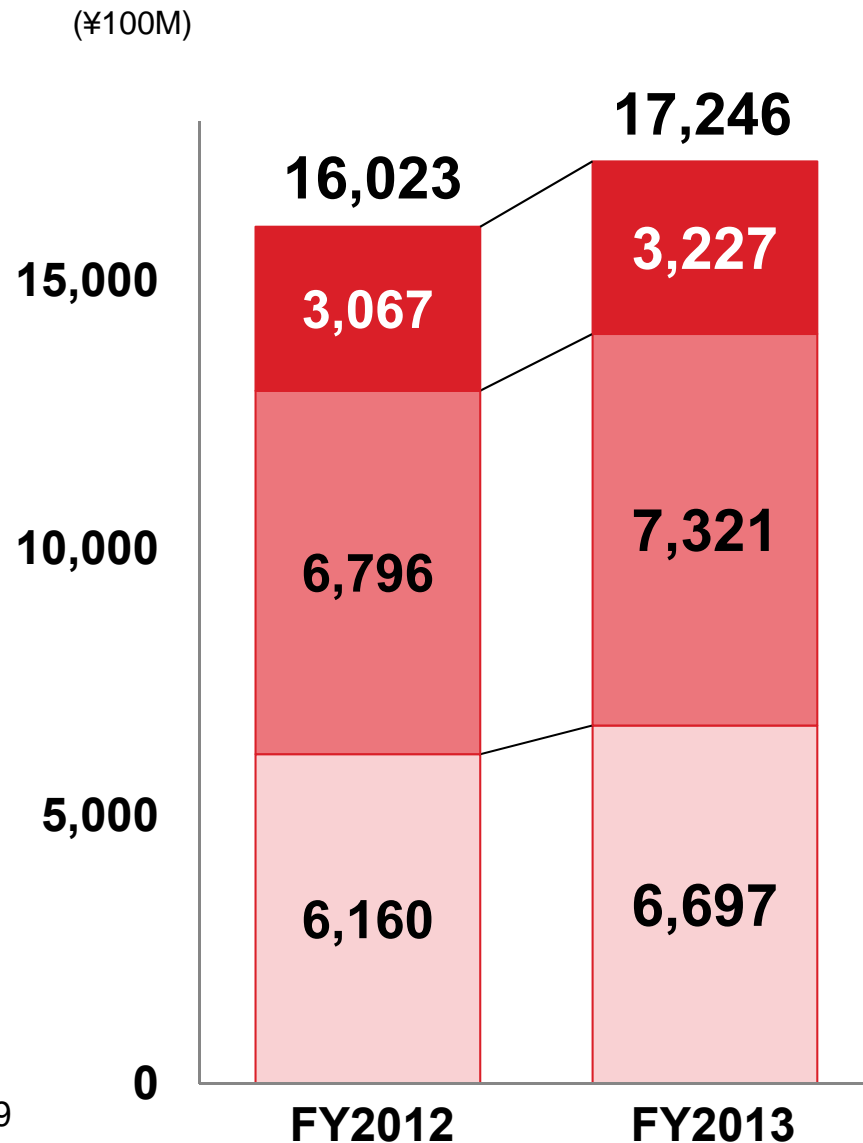
Smartphone advertising revenue ratio
13.1% → 21.0%

*Smartphone advertising revenue includes some revenue via tablet devices.

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

Annual e-Commerce Transaction Value

Achieved **1.7 trillion yen** (+7.6% YoY) transaction value.



Total +1,222 (¥100M)

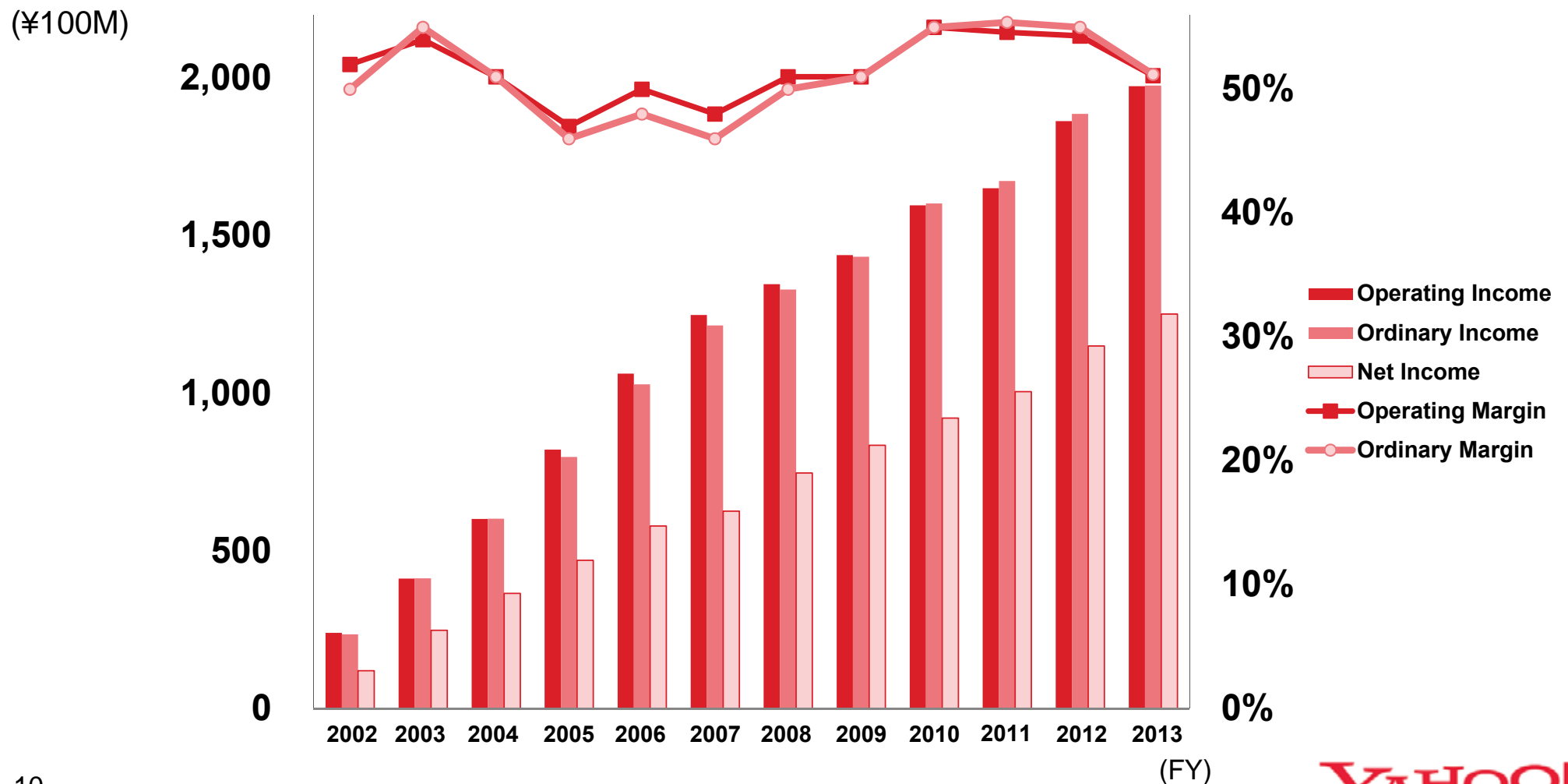
- Shopping-related +5.2%**
Increased after introduction of new strategies
- Auction-related +7.7%**
Grew with more bidders and higher unit prices.
- Others +8.7%**
(Settlement/Financial services, pay digital content, etc.)

Yahoo! Wallet transaction value grew.
Transaction value of pay digital content increased.

*Transaction value of FX business is not included.

Annual Profit

Operating, Ordinary, and Net Income up 17 consecutive years since the start of services



*Margins for FY2008 onward are affected by the change in the presentation basis for revenue from gross to net.

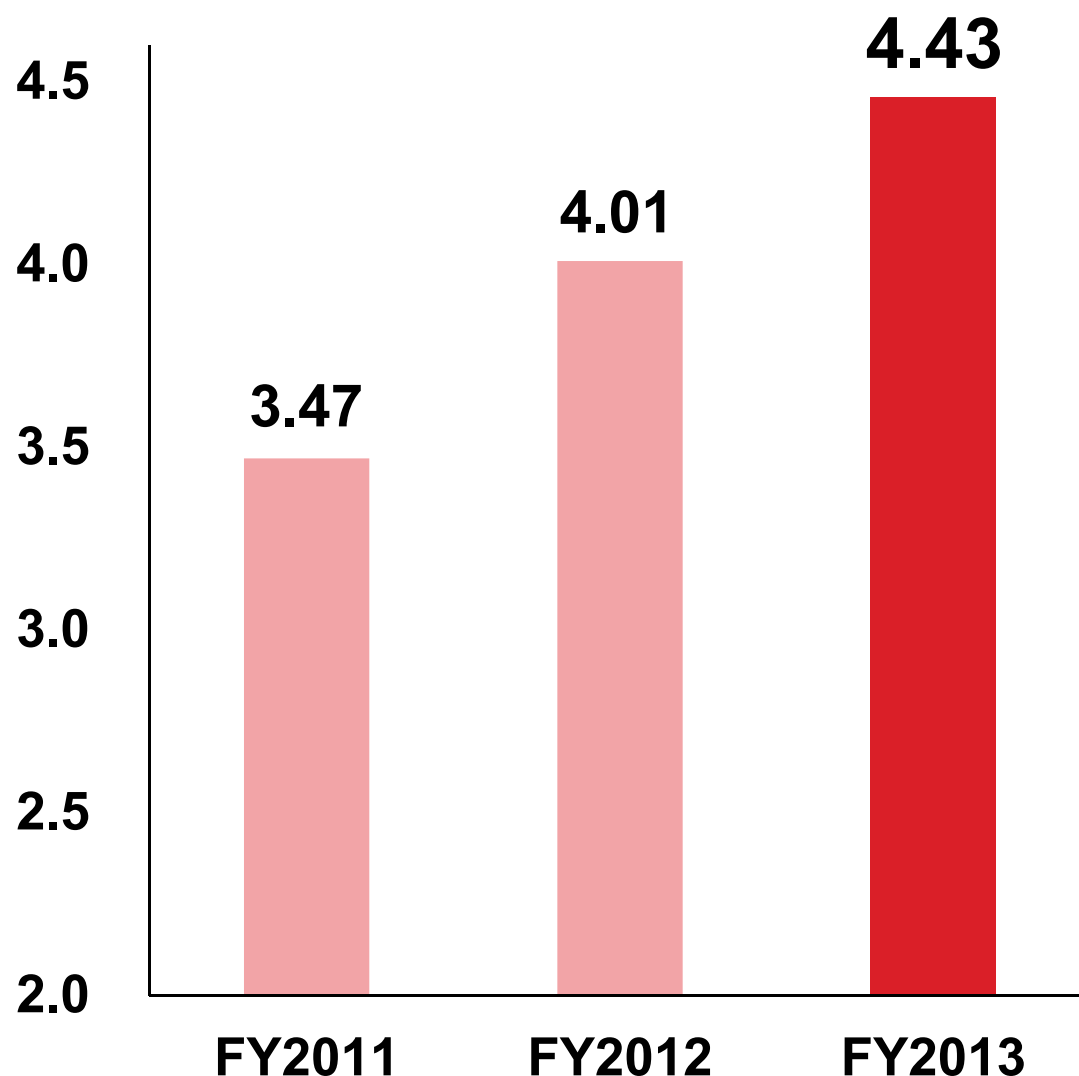
Review of FY2013 Business Outlook

(¥100M)

	FY2013 Forecast (As of Jan. 29, 2014)	FY2013 Actual	Variance Analyses
Revenue	3,871	3,862	-
Operating Income	1,960	1,974	Businesses with high profitability grew favorably.
Ordinary Income	1,968	1,976	-
Net Income	1,259	1,251	Impairment loss of fixed assets

Cash Dividends for FY2013 (Planned)

Cash dividends per share
(¥)



Cash dividends per share grew 10.5% YoY.

The Company's dividend payout ratio continues to be approximately 20% of consolidated net income.

FY2013 - 4Q

Business Results

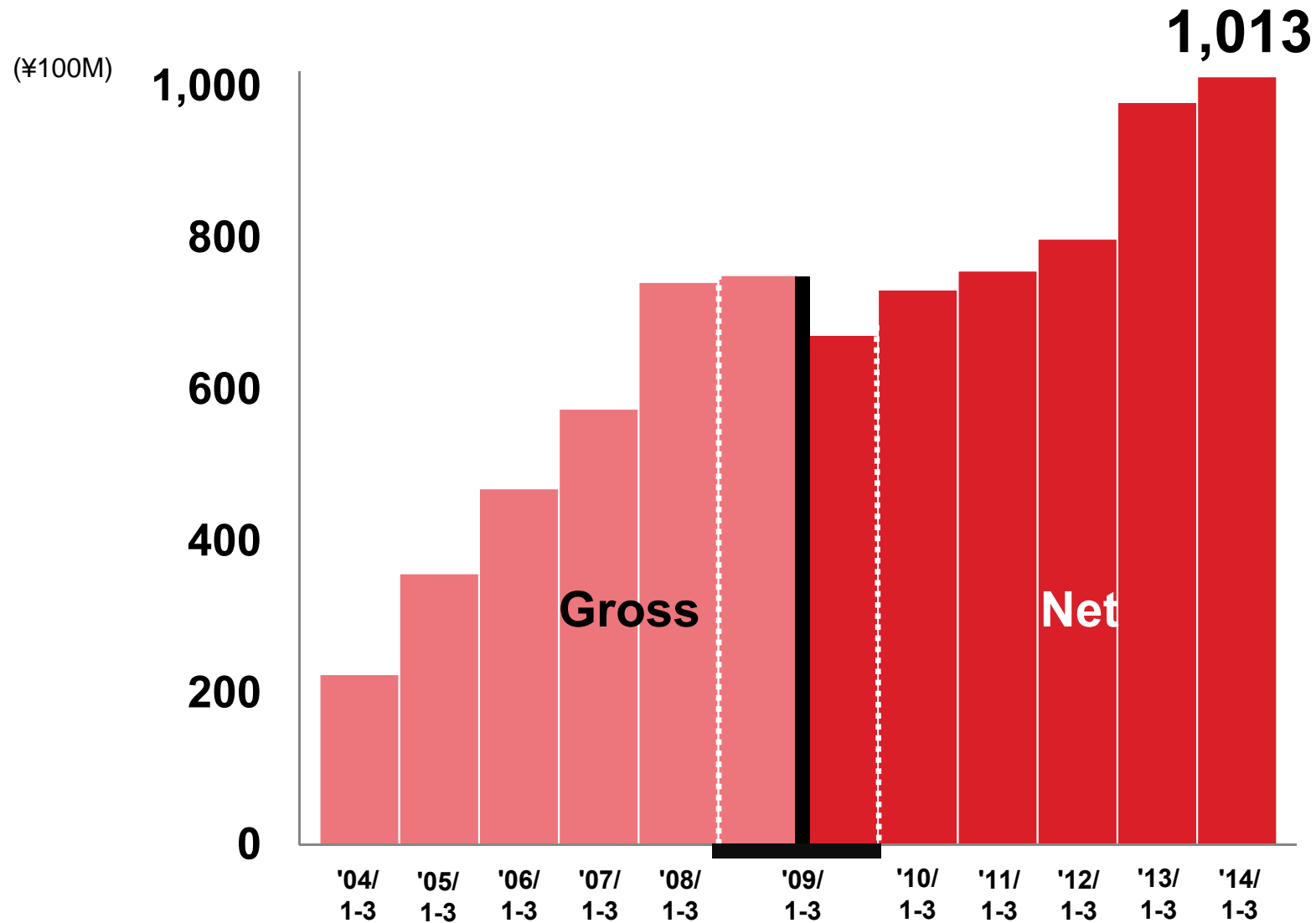
FY2013-4Q Financial Highlights

**Revenue surpassed 100 billion yen,
reaching a record high.**

(¥100M)

	2012-4Q	2013-4Q	YoY Change	Change Contributors
Revenue	979	1,013	3.5%	<ul style="list-style-type: none"> · Advertising revenue grew. · Yahoo! Premium membership revenue increased. · Growth trend slowed under our new e-commerce strategies.
Operating Income	509	502	-1.3%	Cost increased due to our new e-commerce strategies.
Ordinary Income	518	499	-3.6%	-
Quarterly Net Income	318	319	0.4%	-

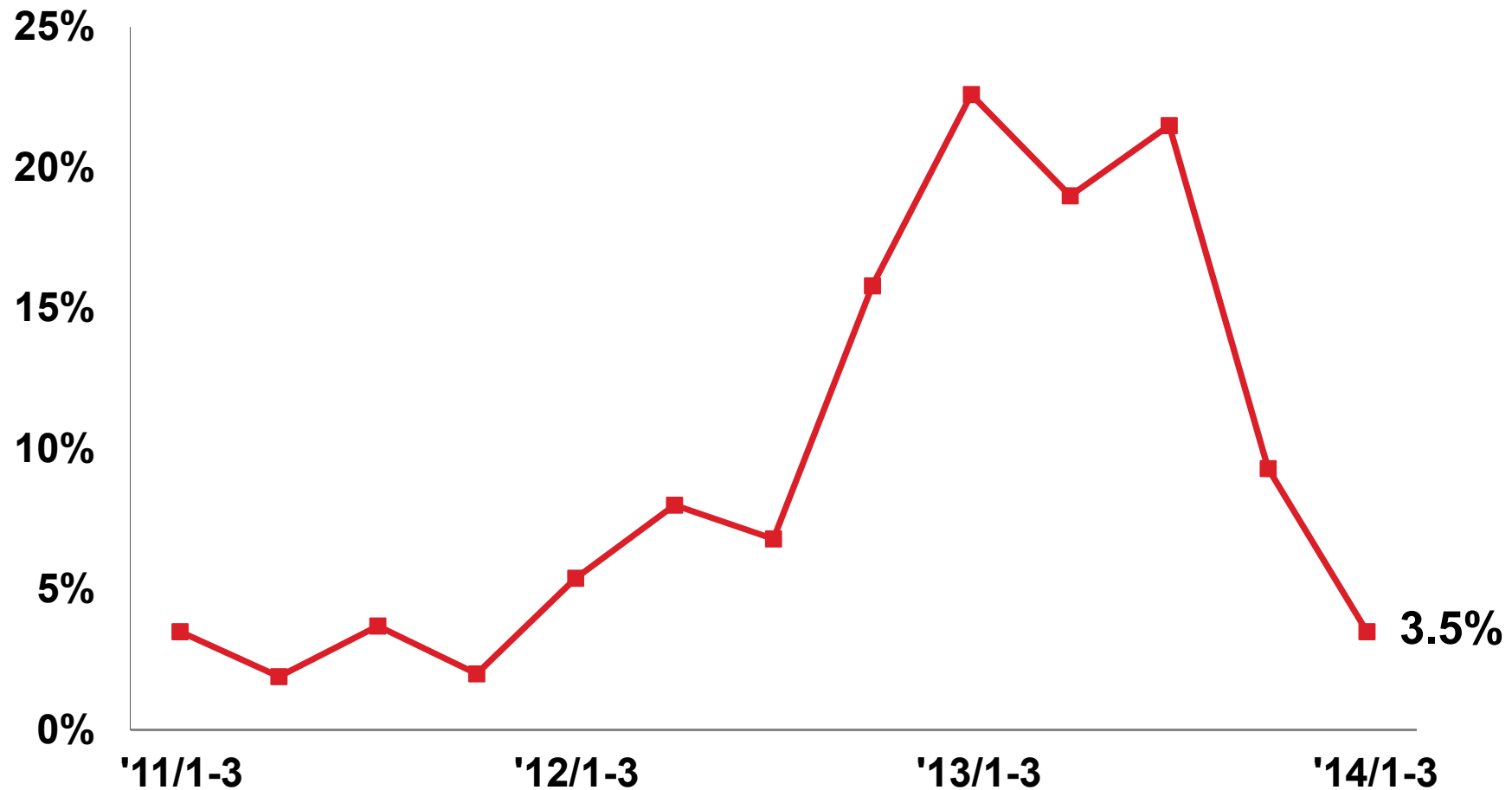
Quarterly Revenue



* Commencing with FY2008, we started indicating revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A. The figure on a gross basis for '09/1-3 is included for your reference.

Quarterly Revenue YoY Growth Trend

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



Quarterly Revenue Breakdown

(¥100M)

1,000

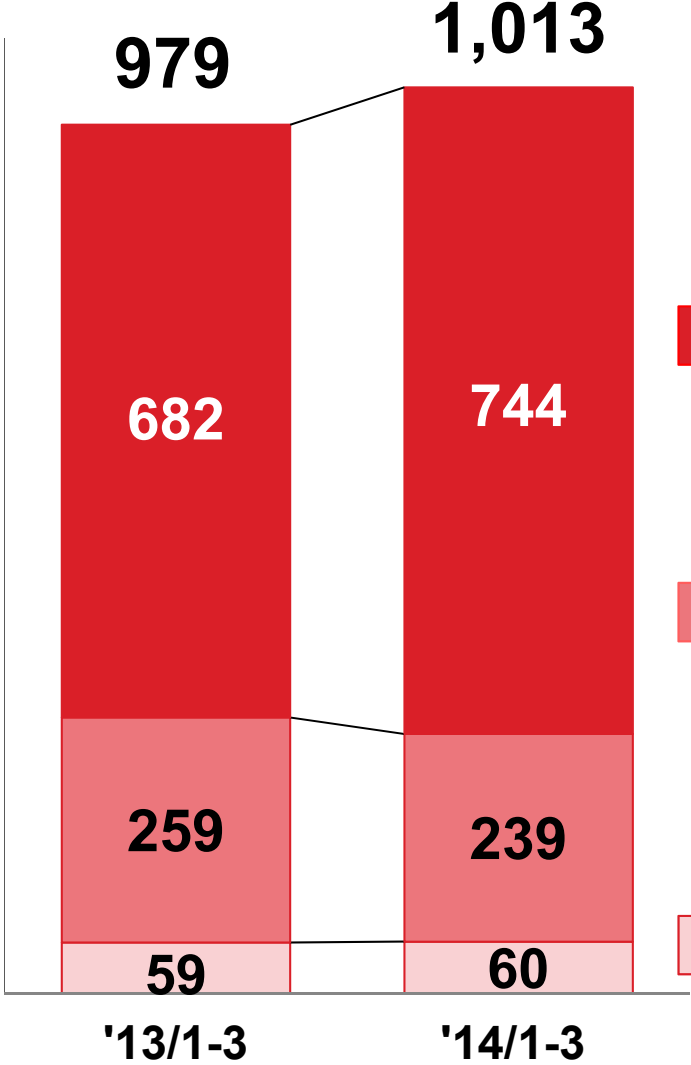
800

600

400

200

0



Total **+33** (¥100M)
+3.5%

Marketing Solutions Business **+9.0%**

Advertising revenue grew.

Consumer Business **-7.6%**
e-Commerce related revenue decreased under our new strategies.

Revenue from premium members increased.

Other Business **+1.8%**

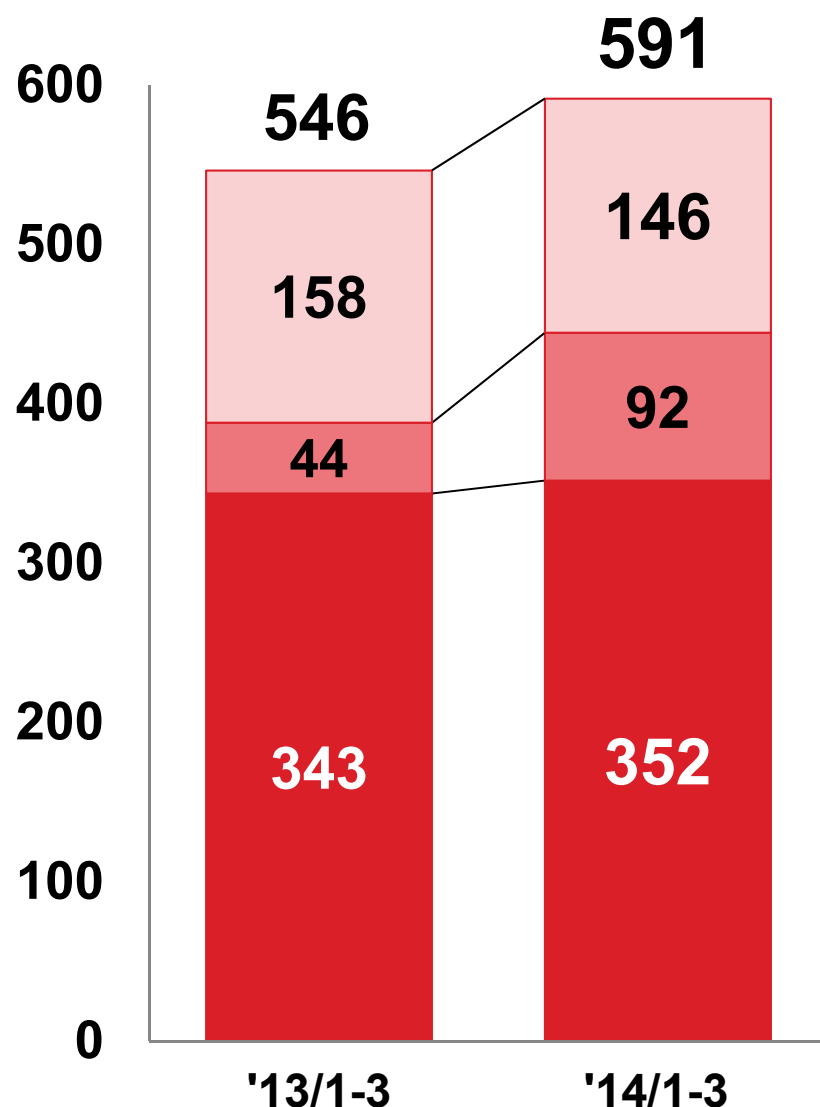
Credit card business grew favorably.

* Figures for Adjustments are not shown on the chart.

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

Quarterly Advertising-related Revenue

(¥100M)



Total **+45** (¥100M)
+8.3%

Display Advertising **+18.2%**

■ Premium advertising revenue -7.2%

Revenue of advertising products excluding “Brand Panel” was mediocre.

■ YDN and others +109.0%

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

Paid Search Advertising

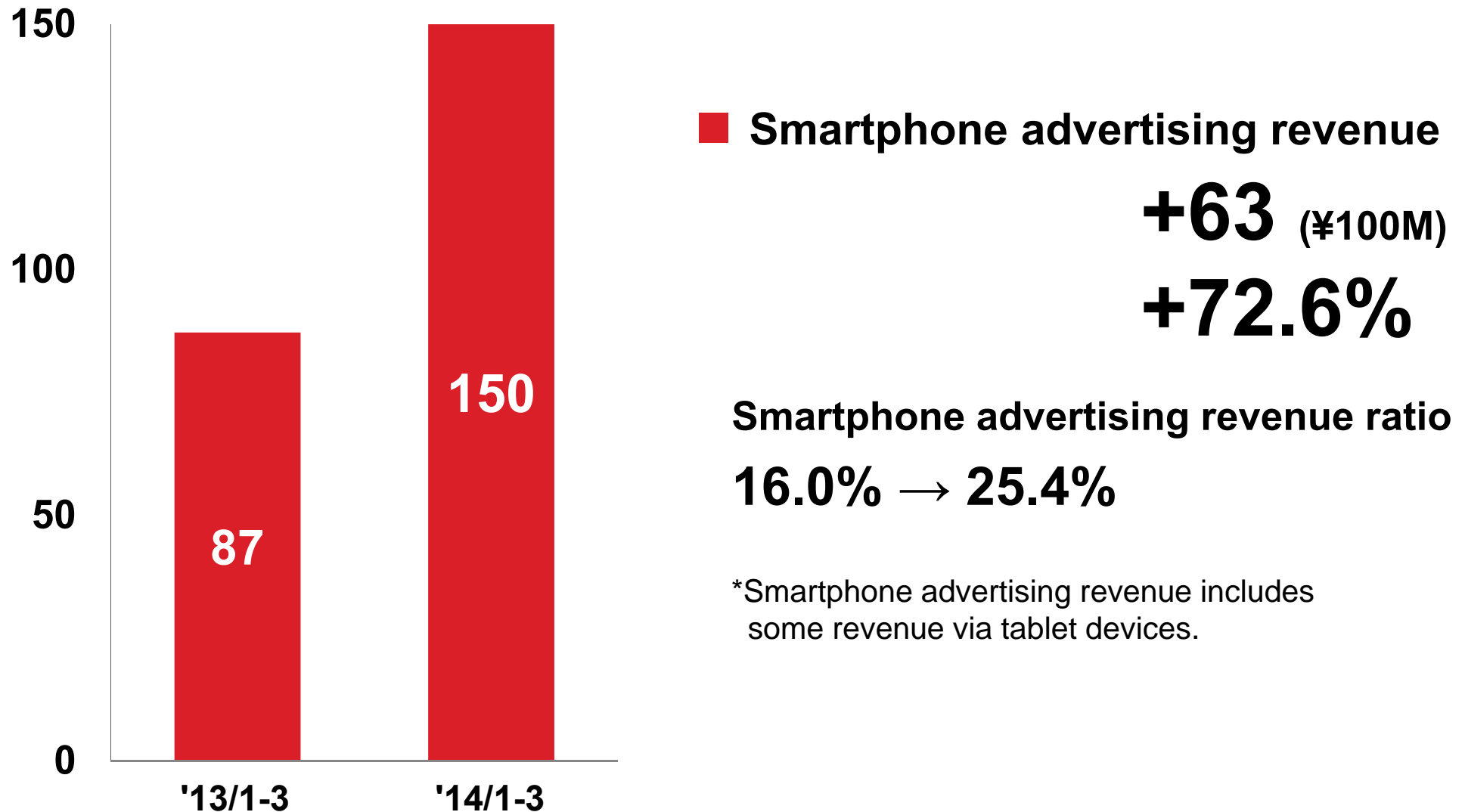
■ Sponsored Search +2.4%

Smartphone advertising revenue rose.

Emphasized on higher usability than profitability.

Quarterly Advertising-related Revenue via Smartphones

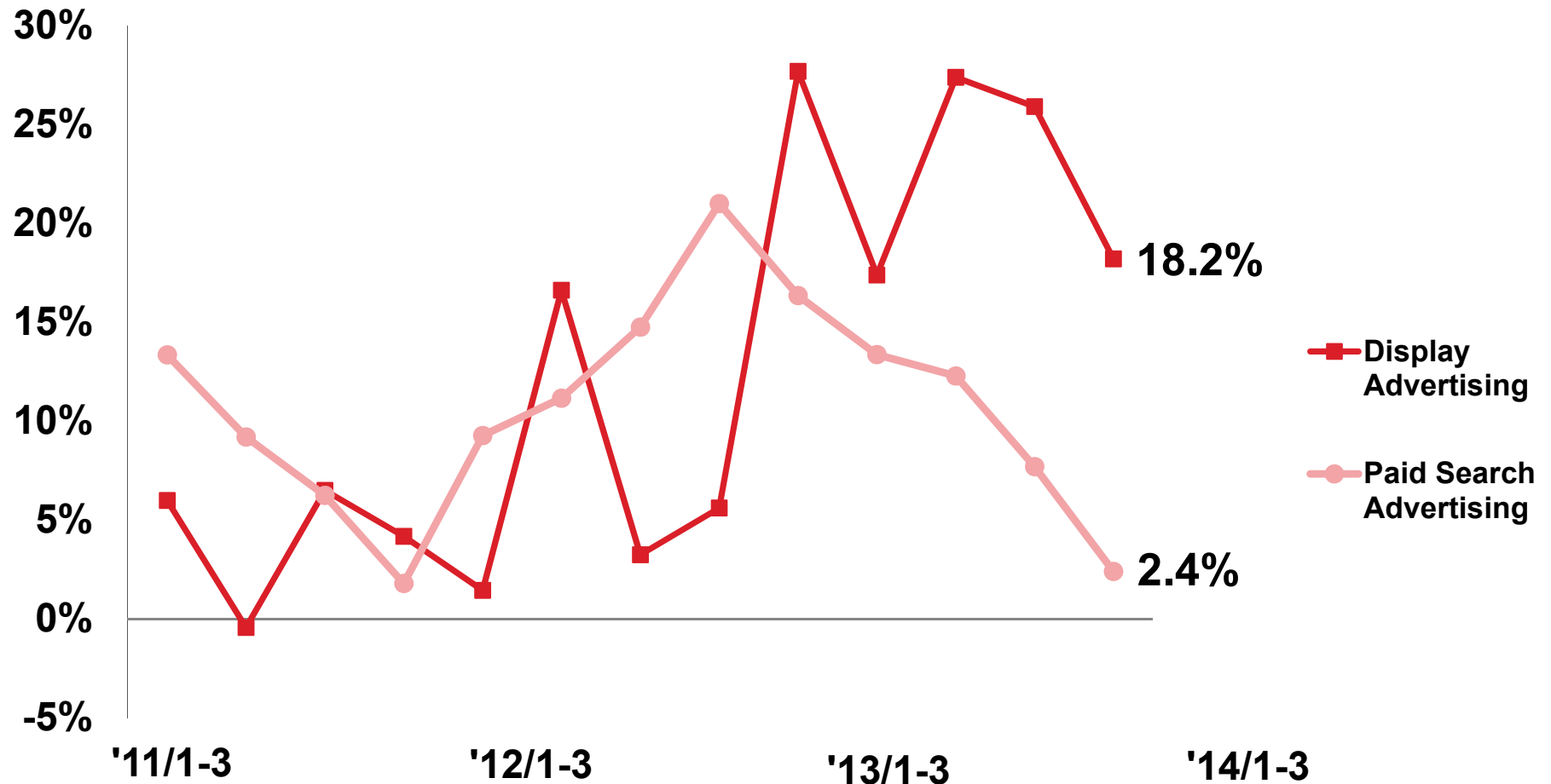
(¥100M)



*Smartphone advertising revenue includes some revenue via tablet devices.

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

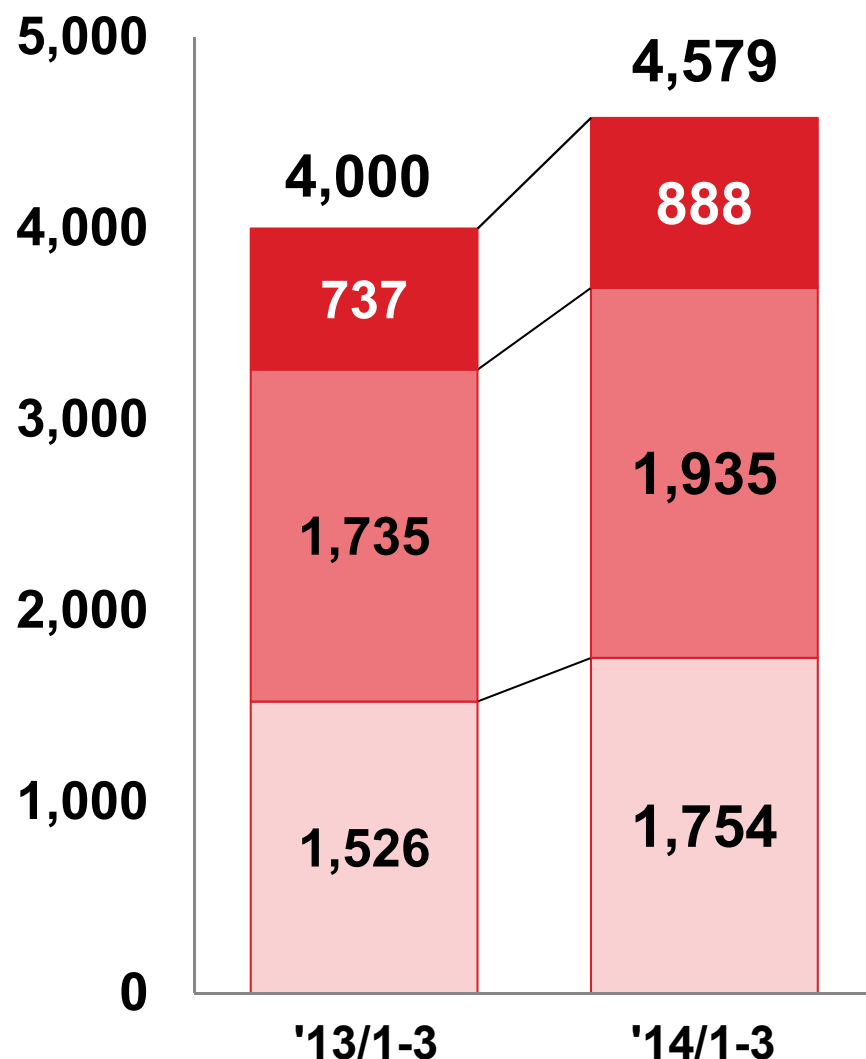
Quarterly Advertising-related Revenue YoY Growth Trend



Quarterly e-Commerce Transaction Value

Total +578 (¥100M)
+14.5%

(¥100M)



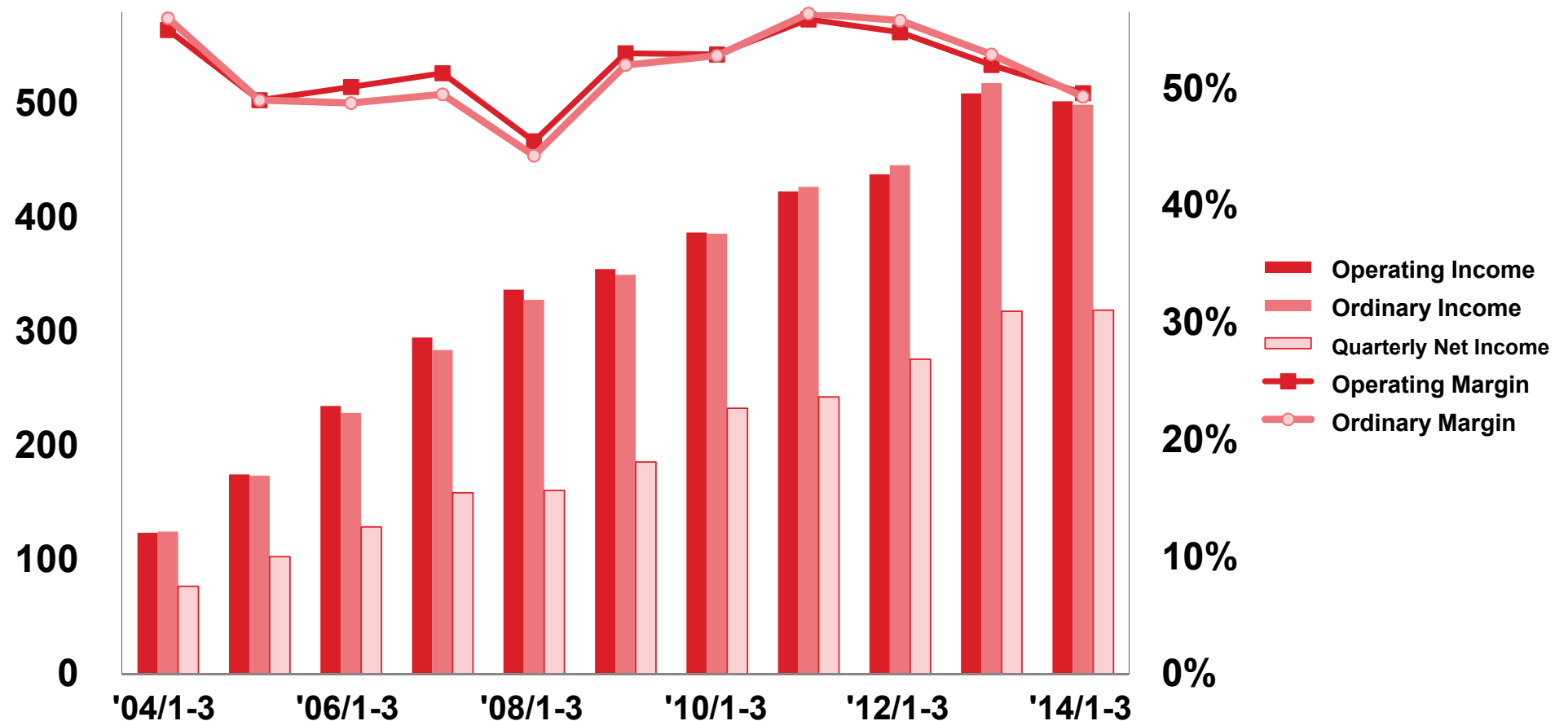
- **Shopping-related +20.5%**
 Proceeded with new e-commerce strategies. Transaction value hiked before the raise in consumption taxes.
- **Auction-related +11.5%**
 Grew with more bidders and higher unit prices.
- **Others +14.9%**
 (Settlement/Financial services, pay digital content, etc.) Yahoo! Wallet 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 **23.3%→31.4%**

Quarterly Profit Trend

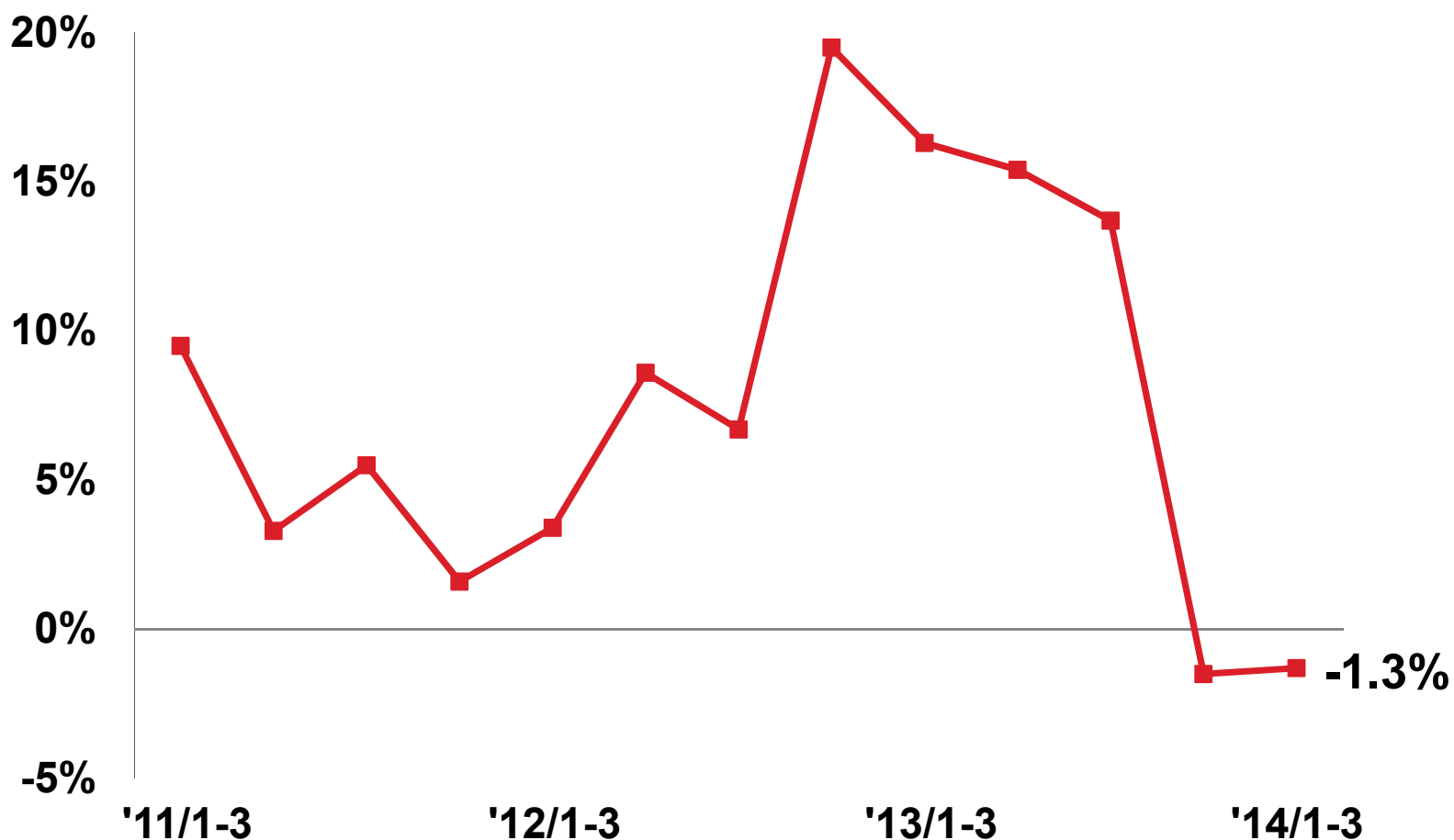
Profits decreased temporarily under aggressive promotion and advertising activities related to new e-commerce strategies.

(¥100M)



Quarterly Operating Income YoY Growth Trend

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



FY2014-1H Business Outlook

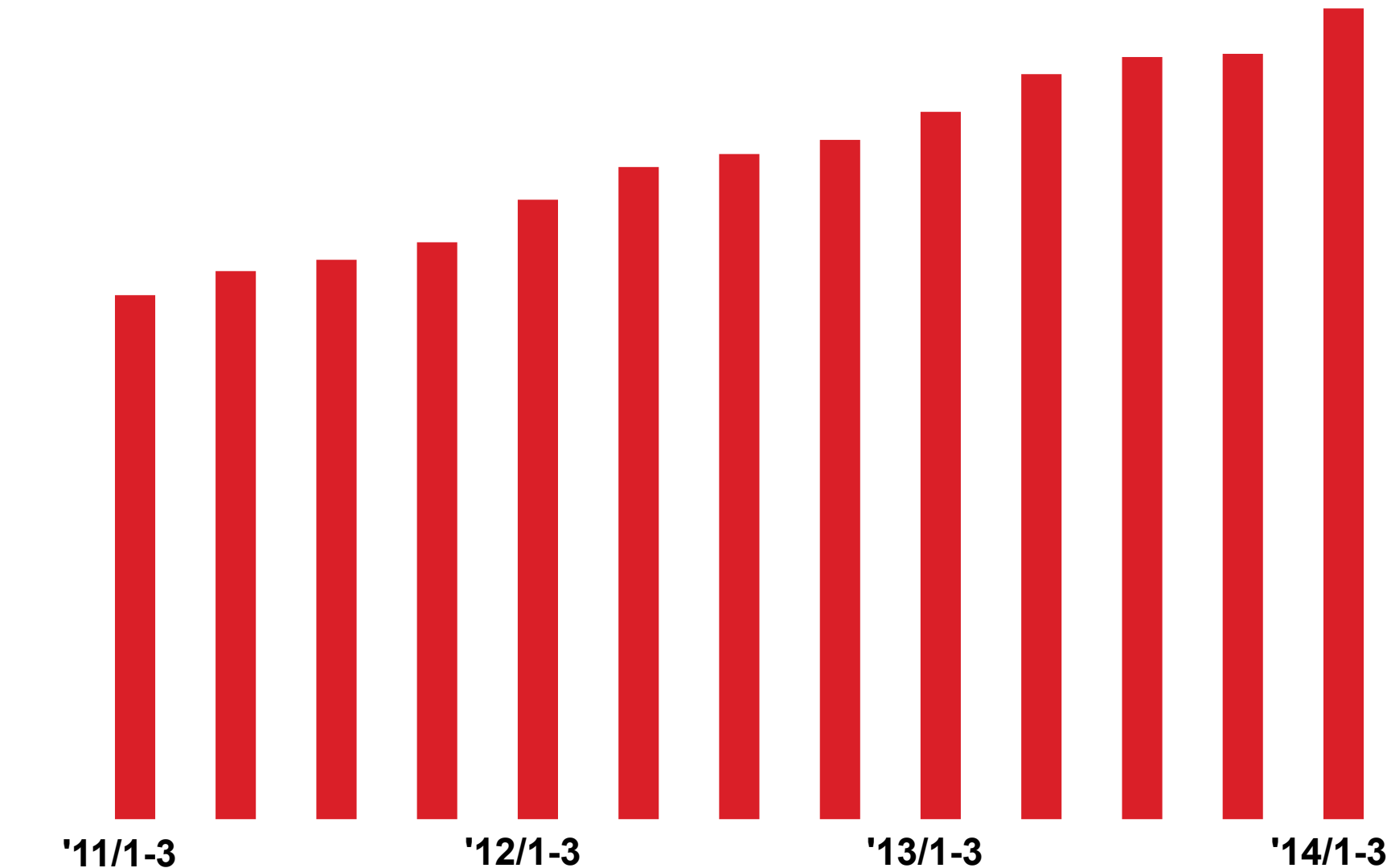
The following figures are on IFRSs Basis.
eAccess Ltd. will become a consolidated subsidiary from June.

(¥100M)

	2013-1H (Actual)	2014-1H (Forecast)	YoY Change	Change Contributors
Revenue	1,980	3,359	69.6%	<ul style="list-style-type: none"> · Advertising revenue expected to grow. · Yahoo! Premium membership revenue expected to increase. · Growth trend slows under our new e-commerce strategies.
Impact of consolidation of eAccess	-	1,240	-	Consolidation of eAccess Ltd. from June
Operating Income	983	934	-5.0%	Expenditure for promotion activities for our new e-commerce strategies.

Marketing Solutions Business

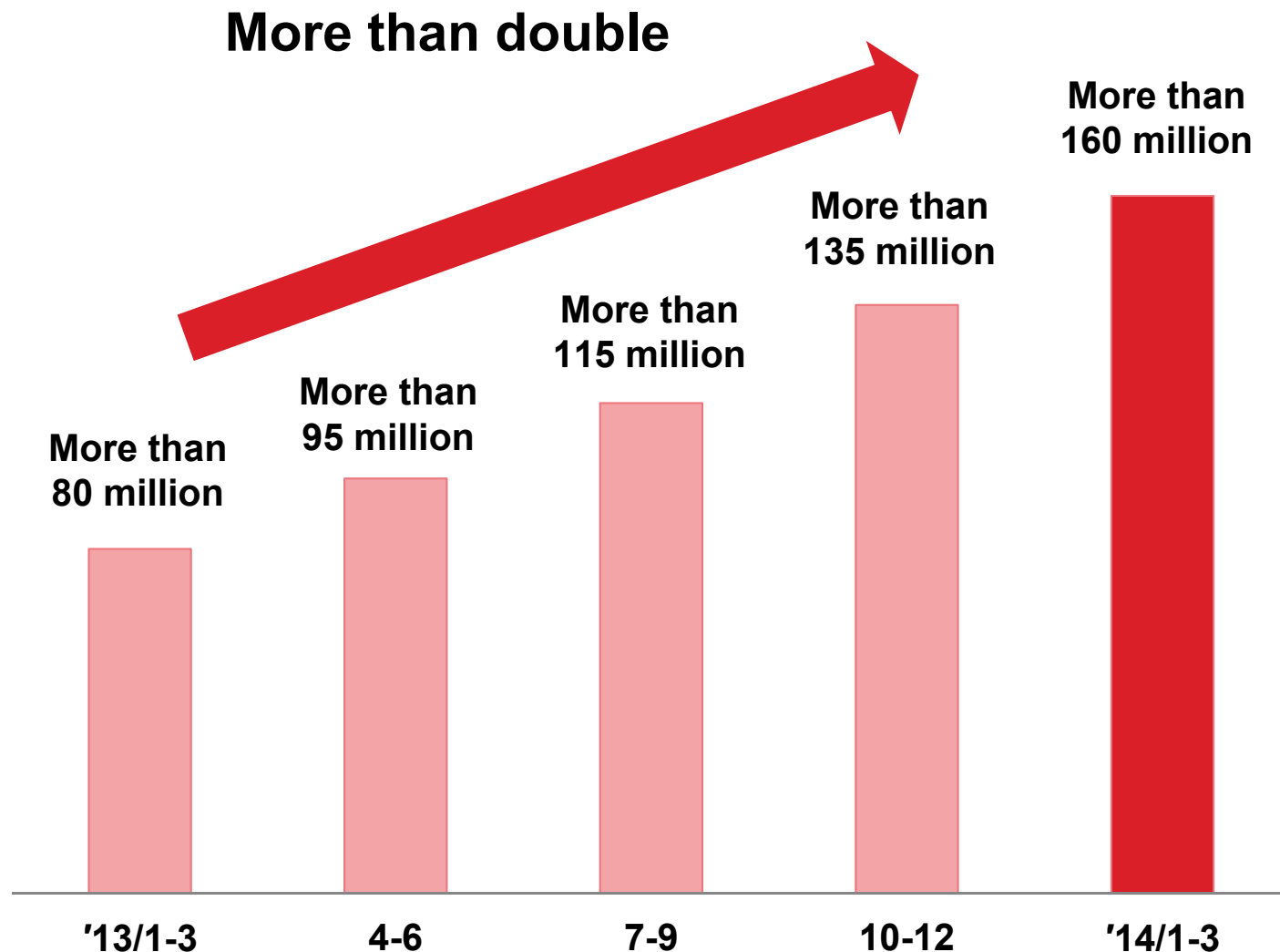
DUBs* of Top 20 Services Growing Favorably



Source: Yahoo Japan Corporation

*DUB=Daily Unique Browser

Cumulative downloads of iOS+Android applications are **160 million and up**



Measures to Increase Traffic

Started to Offer “Yahoo! News” Official Application for iPad



App Store Free App General Ranking **No.1**

- One can view main news stories and weather information with one tap.

- Titles of articles are displayed in timeline format which adopts to tablet display.

“Sportsnavi”

Started to offer “Playback video” for the Pacific League of Japanese professional baseball and “Score board” application.



- Distribution of flash news of highlights for free



- Scores of domestic and overseas baseball and football games can be checked at a glance.

Launched “SmartSearch”



Offering new search services based on the catchword “Go from searching to finding”

- Display pictures and news related to search results on one page

- Topical information can be checked by sliding the screen.

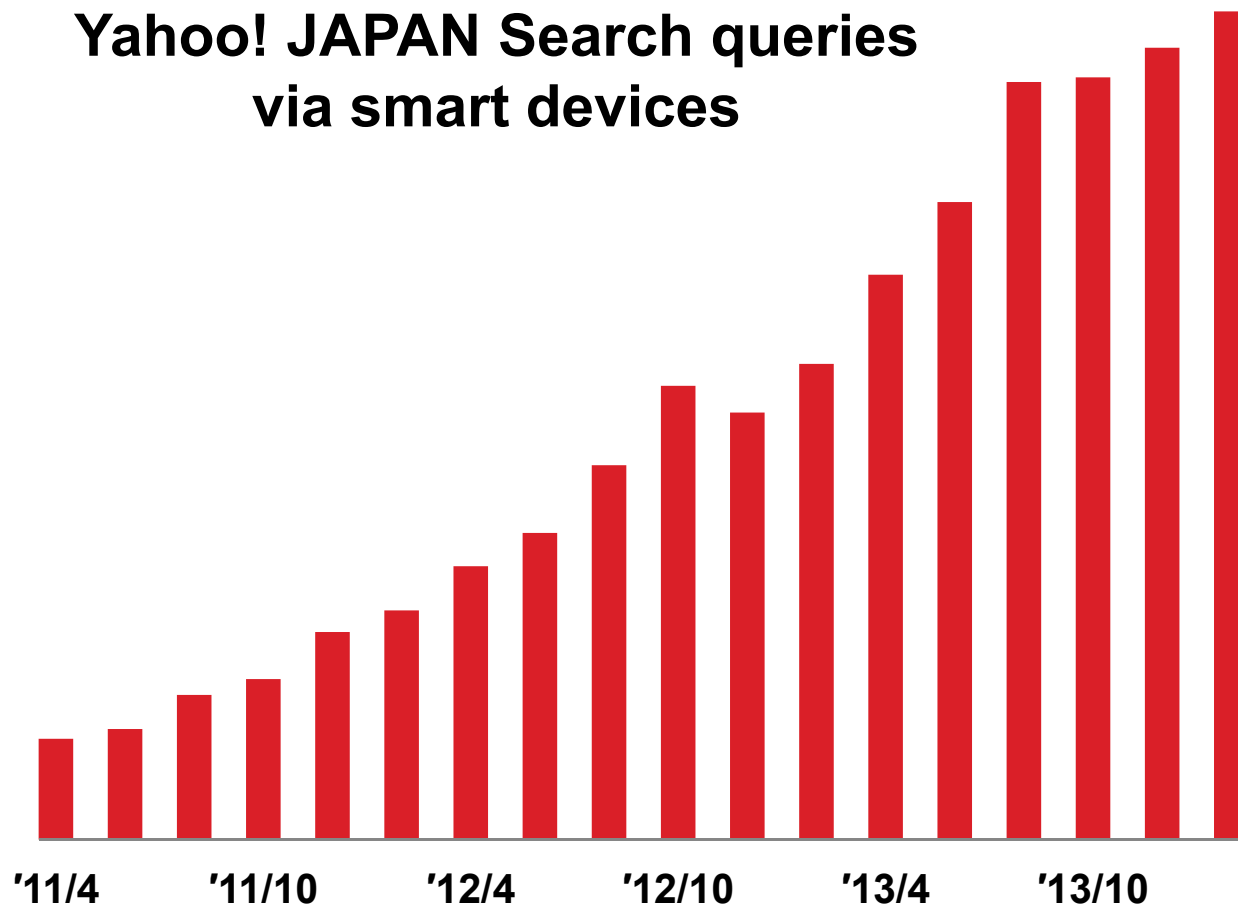


Measures to Increase Revenue and Profit

Paid Search Advertising

Search Queries via Smartphones and Tablets Increased Favorably.

Yahoo! JAPAN Search queries via smart devices



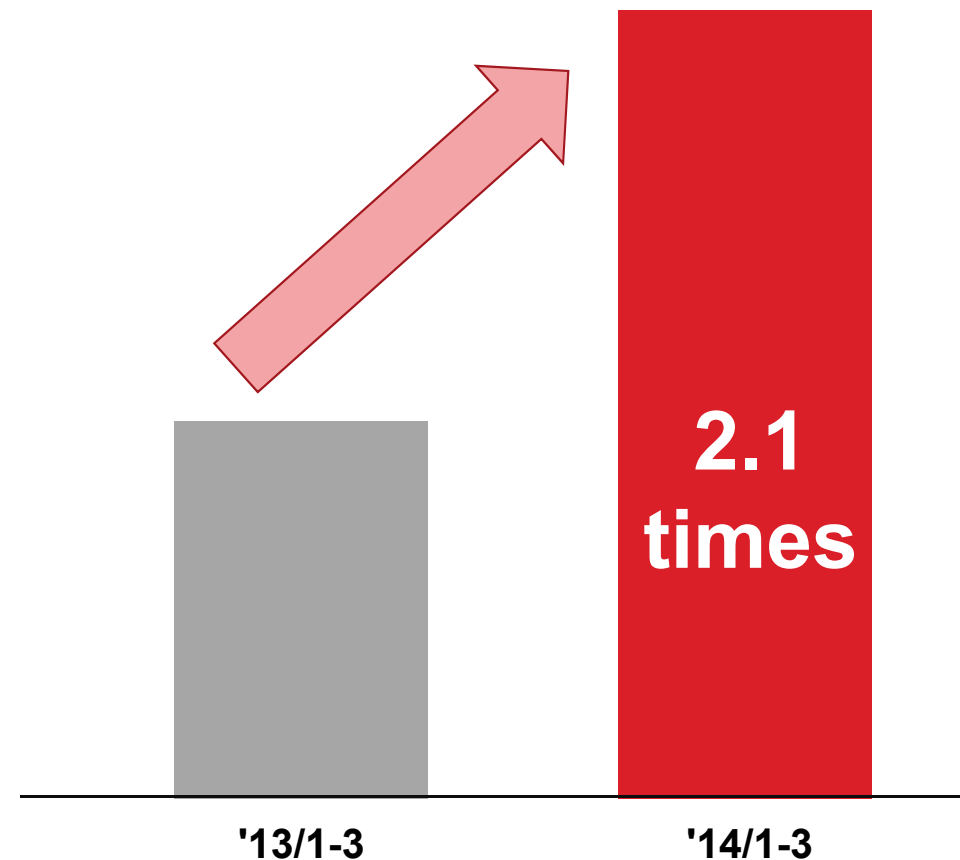
Display Advertising

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



Share of Rich Ad revenue in total “Brand Panel” revenue was **approx. 40%** in March.

Revenue from YDN in FY2013-4Q Increased More Than 2 Times YoY



Revenue from YDN



New Advertising Products Started Out Well

- **Yahoo! Premium DSP**

Approx. 30 national clients started purchasing this product.

- **Video Advertising**

Launched new formats for video advertising

Advertising image: YJFX

4940mm×全幅2064mm×全高1250mmで、徹底的な軽量化を施し1590kgに抑えられた車重からその高いパフォーマンスが推測される。

あわせて読みたい

「77%OFF」そもそも無理だった？ 出店費だけが悪いのか
ニュース 11月8日(水)18時27分

円安効果、好決算相次ぎ＝株上げ傾向
きなトップもー上場企業の中間決算【深層探訪】11月9日(土) 8時30分

<株上げ>できる？ できない？…経営トップ
前向き増加中 11月5日(火)7時0分

DVDレンタル、米大手チェーン全店閉鎖 ネット配信拡大で日本はどうなる
ニュース 11月8日(金)19時9分

【決算】9月中旬は大規模増収増益＝営業収益、営業利益は過去最高
11月6日(水)10時1分

Agreed on Sales of Twitter Ads

Advertisers can post advertising on Twitter via our ad management system for Sponsored Search and YDN.



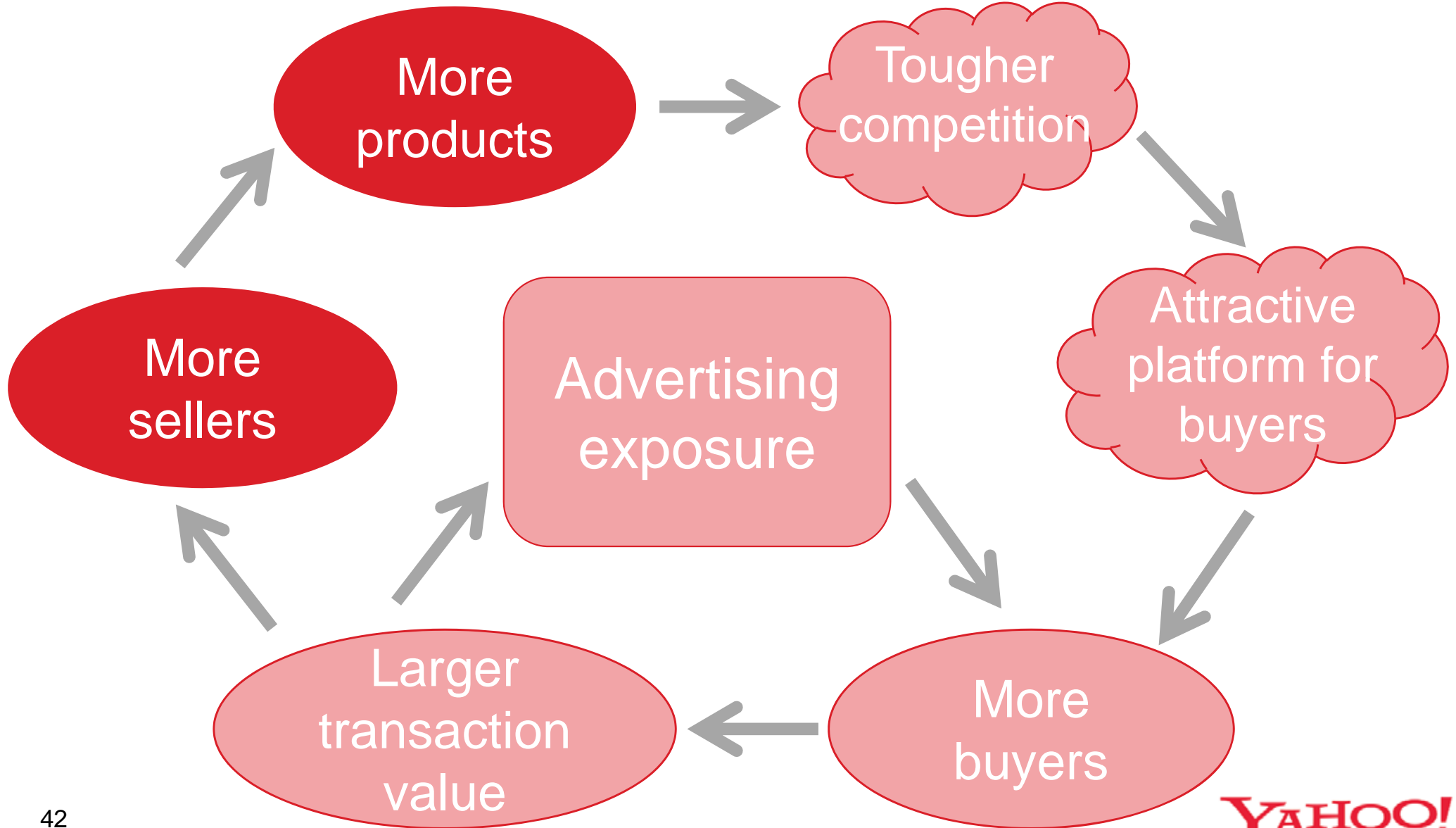
Consumer Business



Yahoo! Shopping

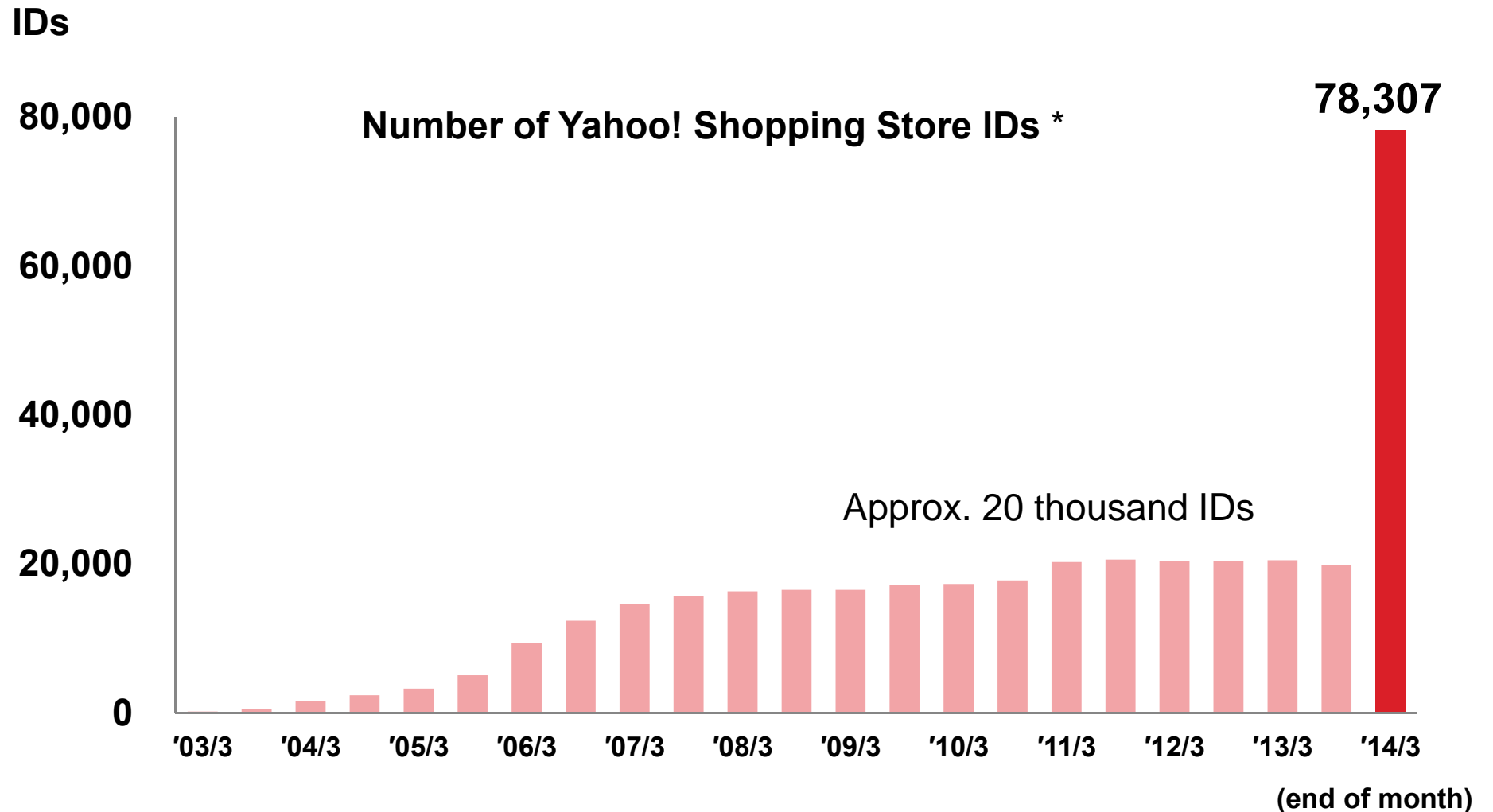
Yahoo! Shopping

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



Yahoo! Shopping

Added approx. 60 thousand Store IDs YoY.



* Number of corporate and individual accounts issued.
It includes the number of accounts still preparing the store site.

Yahoo! Shopping

Individual Sellers (Yahoo! Premium members) Started Opening Stores

- Attractiveness of the platform is up with the wider variety of products.
- Sellers will receive money after buyers receive products (escrow services).

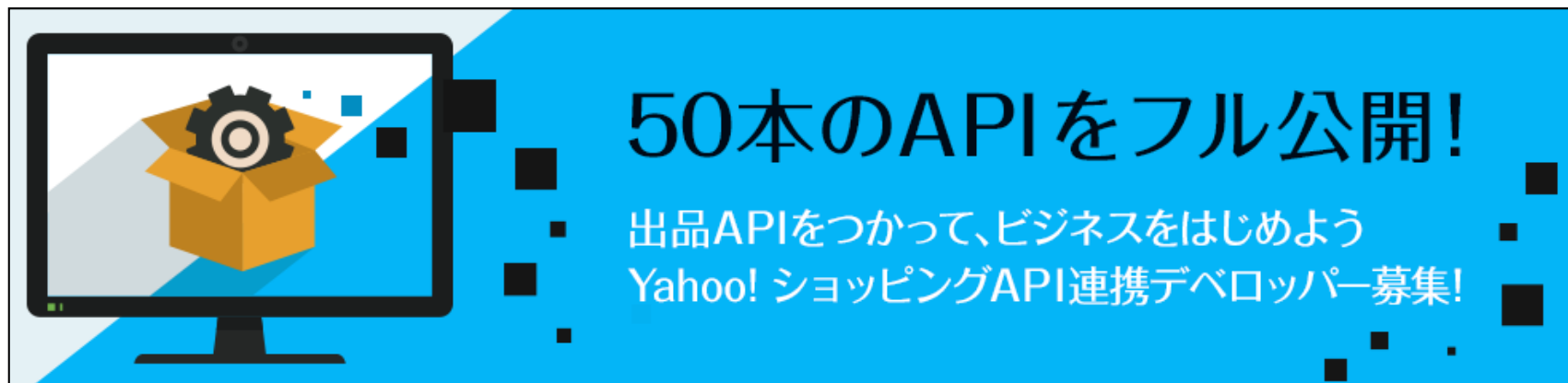
We also strengthened the patrolling system.



Yahoo! Shopping

Offered 50 APIs for Free

- First-ever offer of APIs (application programming interfaces) for listing management or commodity management
- Aiming to increase transaction value by offering convenient functions to sellers.

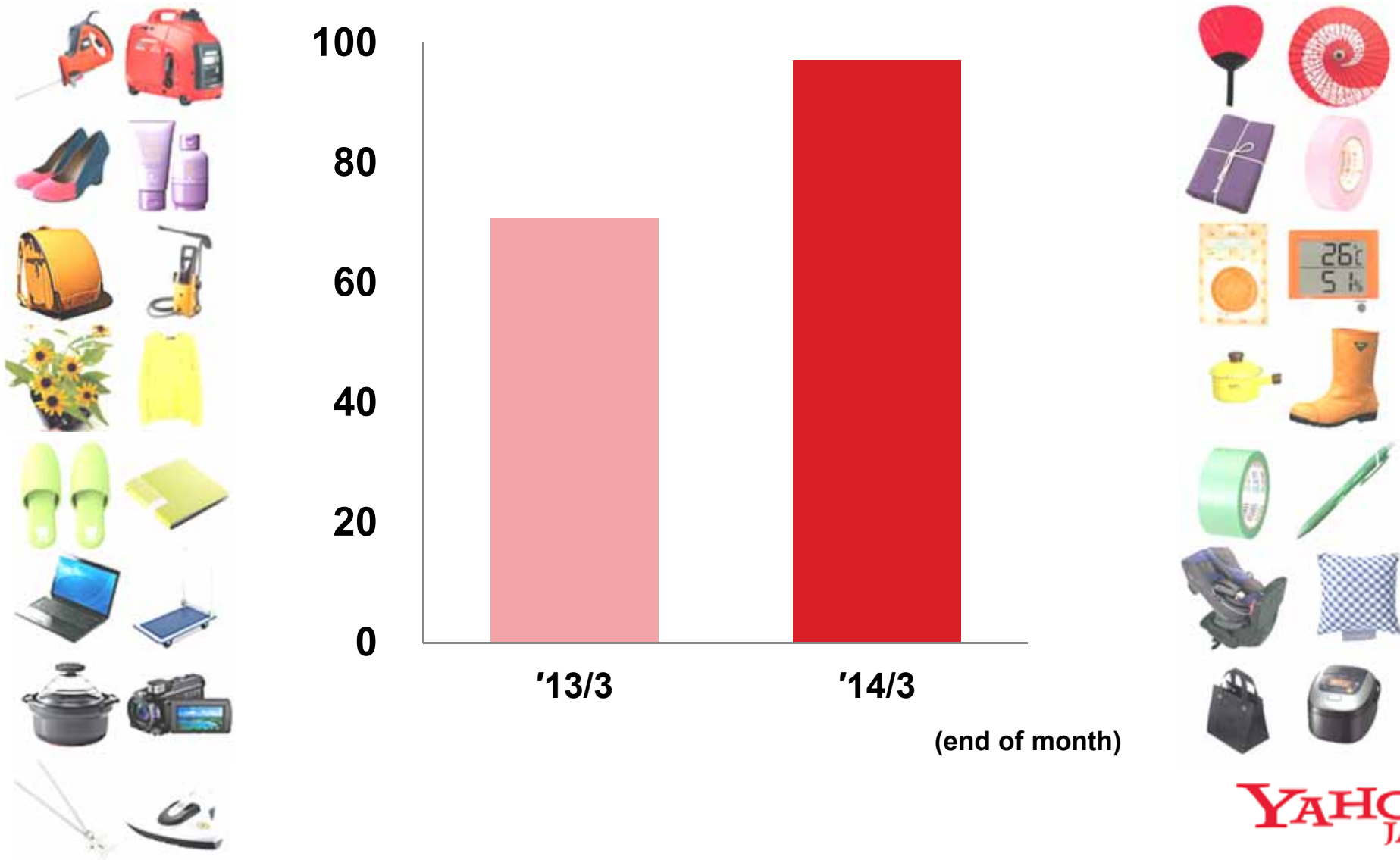


50本のAPIをフル公開!
出品APIをつかって、ビジネスをはじめよう
Yahoo! ショッピングAPI連携デベロッパー募集!

Yahoo! Shopping

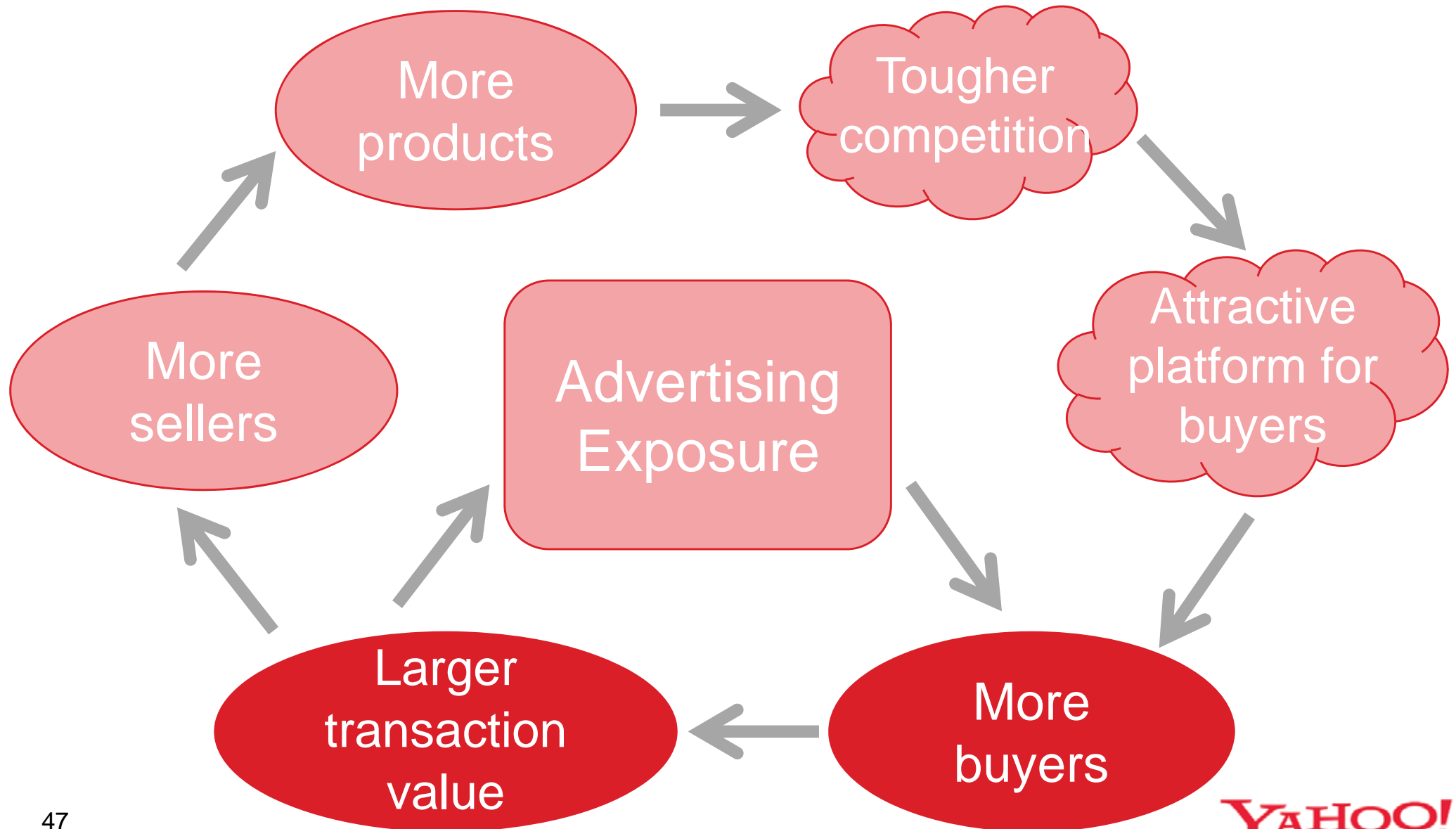
Number of products increased by approx. **40%** YoY

(million items)



Yahoo! Shopping

Number of buyers and transaction value also expanded.



Yahoo! Shopping

Number of Orders, Number of Buyers and Average Unit Price Increased by **approx. 20%** YoY in March.

Campaign before tax increase

消費増税準備特集

2014年4月1日から、消費税率が8%へ引き上げられます。

🔍 通販の場合はここにご注意! [消費増税の基礎知識]

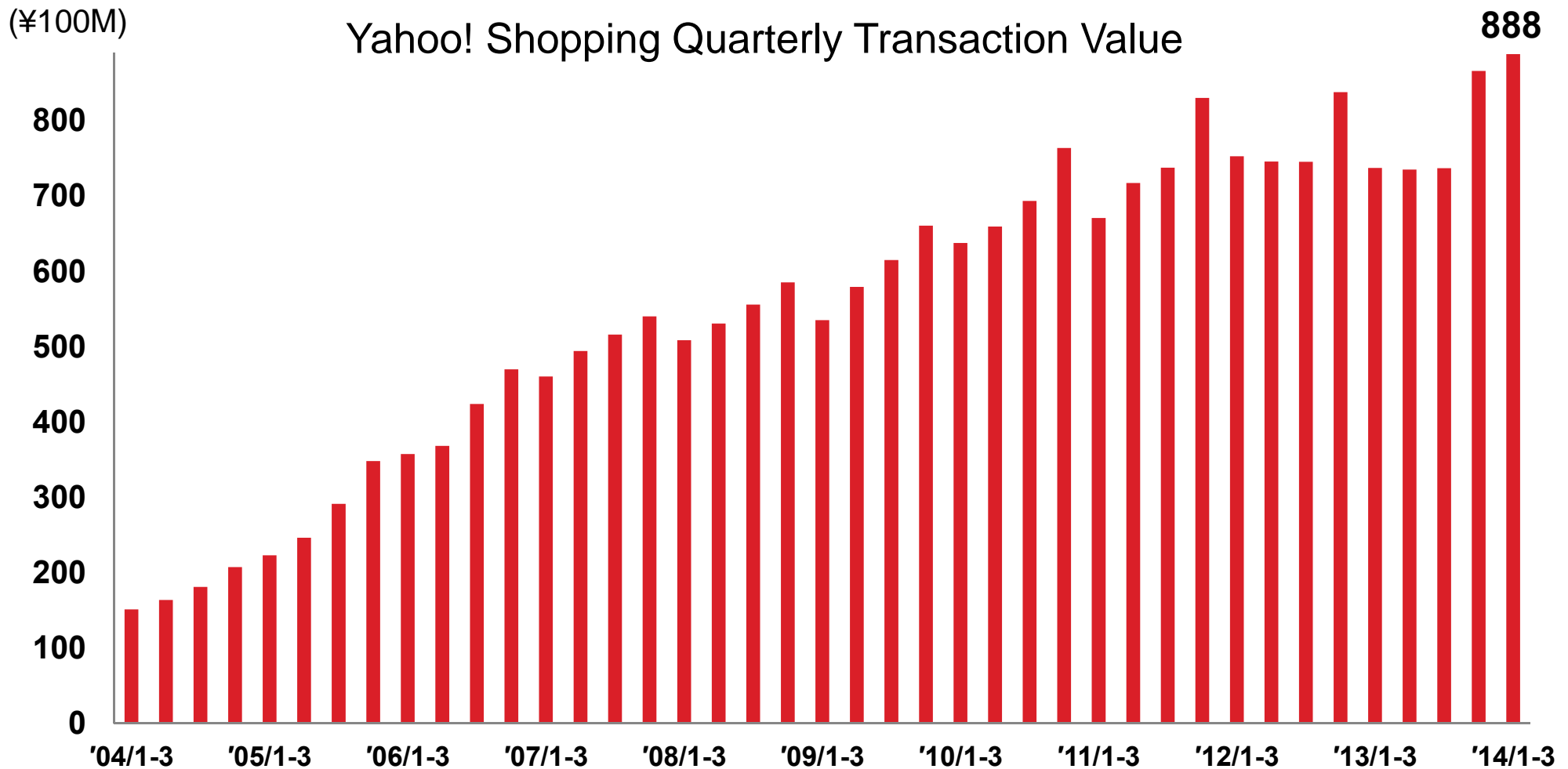
日用品	家電、AV機器	車、自転車 インテリア ブランドアイテム	ピックアップ特集	消費増税の 基礎知識	カテゴリー一覧
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日用品、ドリンク、食品はまとめ買いがおすすめ!

日用品	食品、ドリンク、酒	コスメ

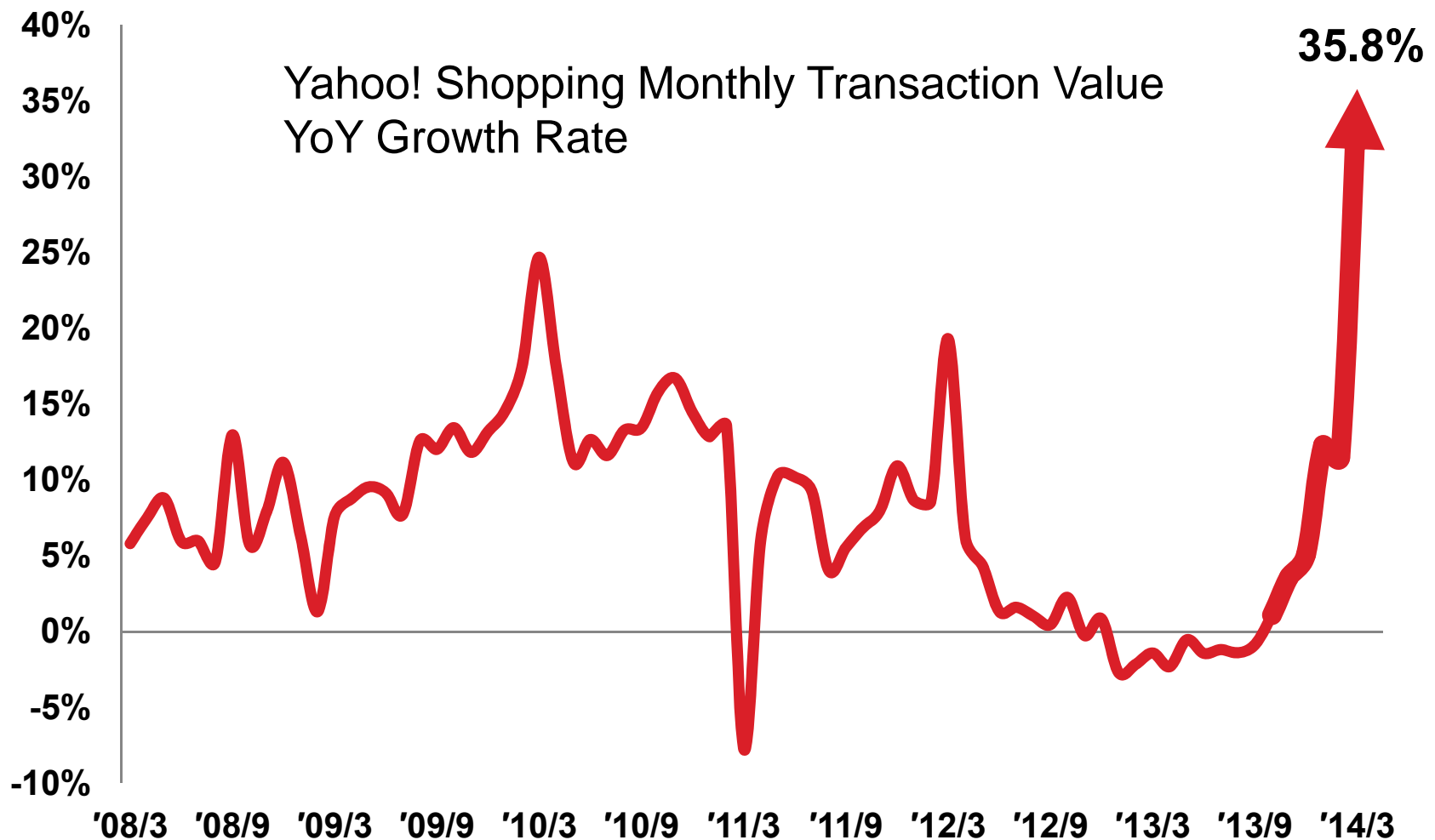
Yahoo! Shopping

Quarterly Transaction Value Achieved Record High



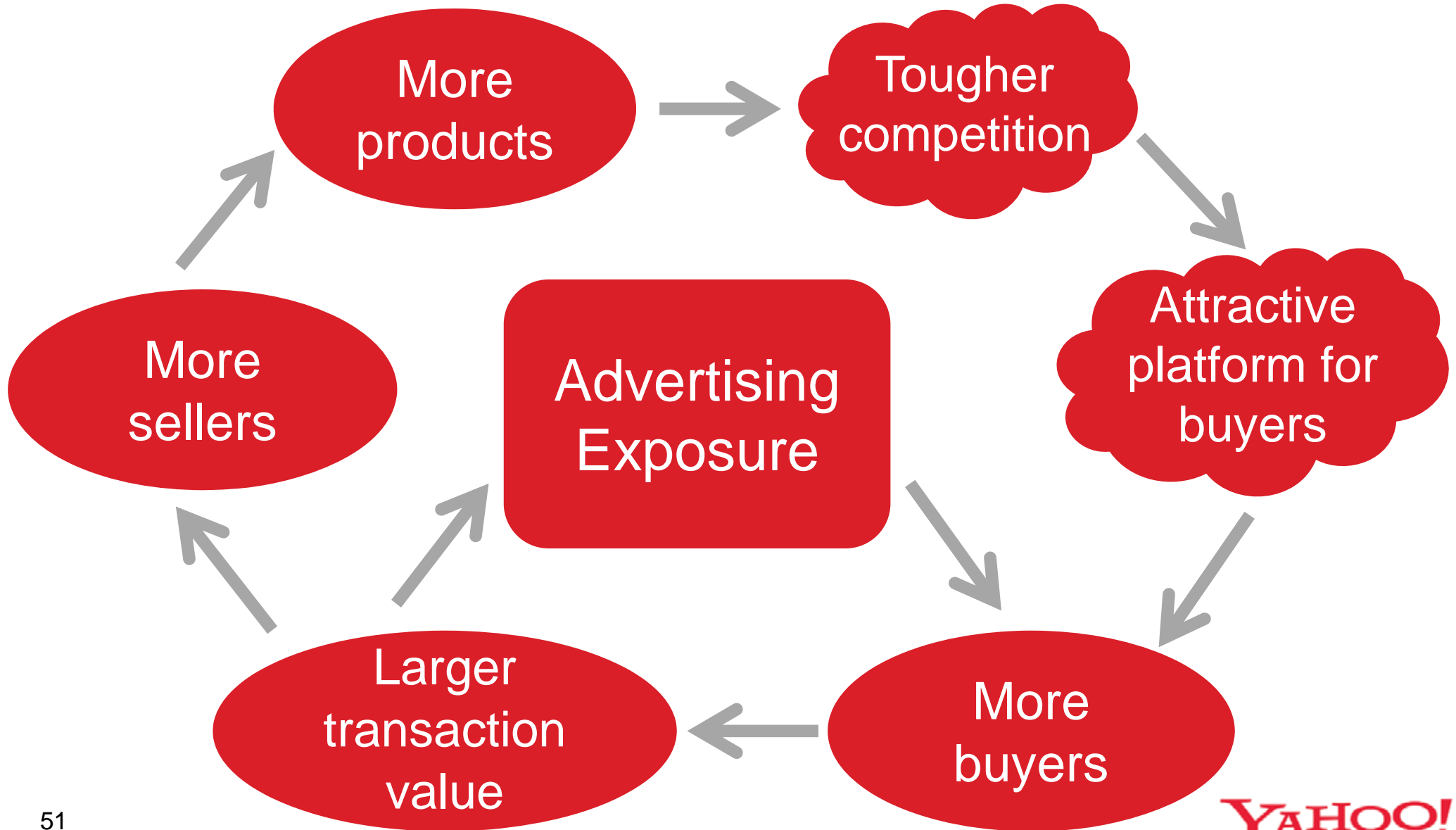
Yahoo! Shopping

Yahoo! Shopping Monthly Transaction Value Increased Sharply on YoY basis.



Yahoo! Shopping

Transaction Value Expansion Leads to Advertising Growth in the Future.



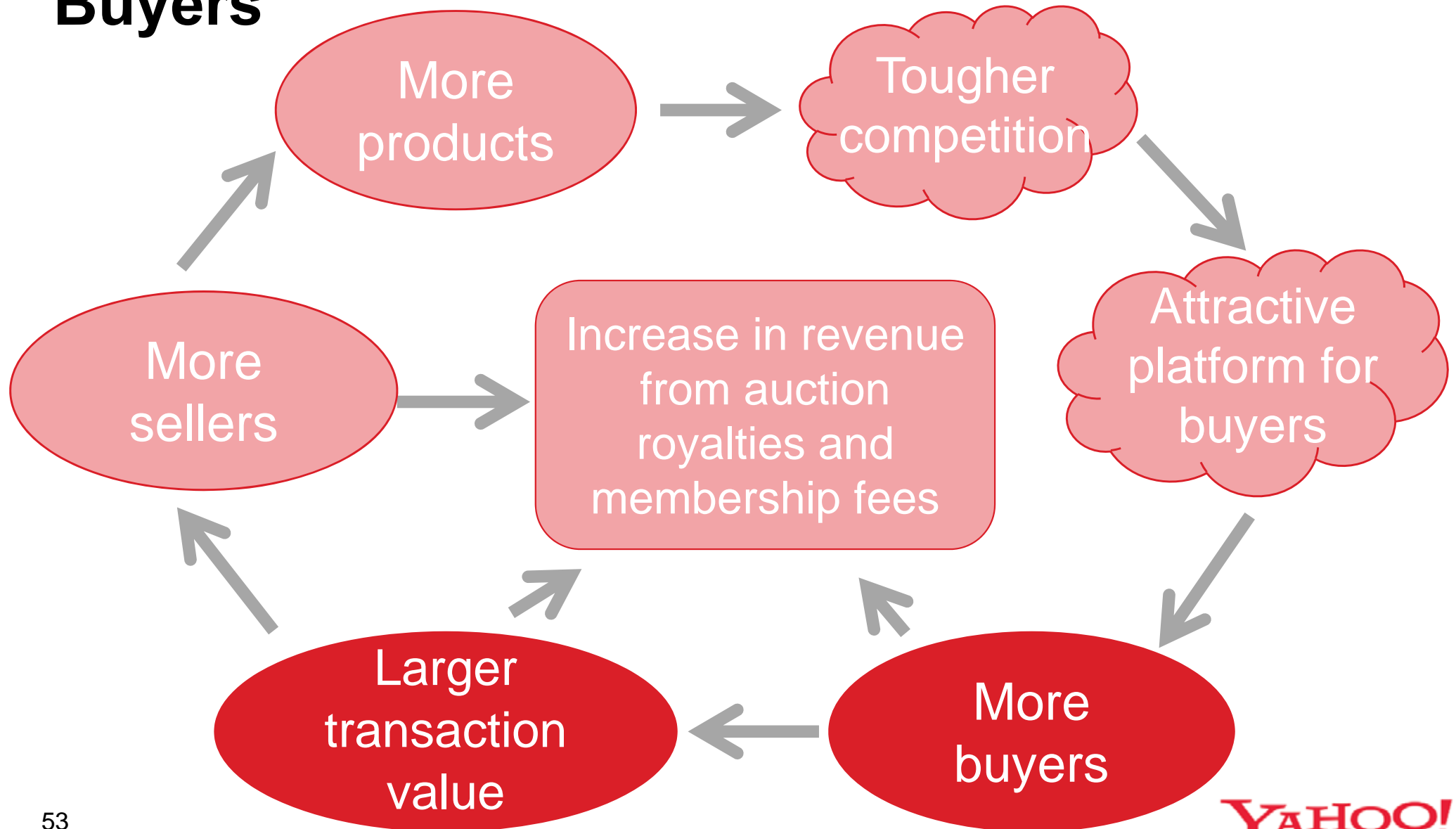


YAHUOKU!

(Auction services)

YAHUOKU! (Auction)

Starting Business Ecosystem with “More Buyers”

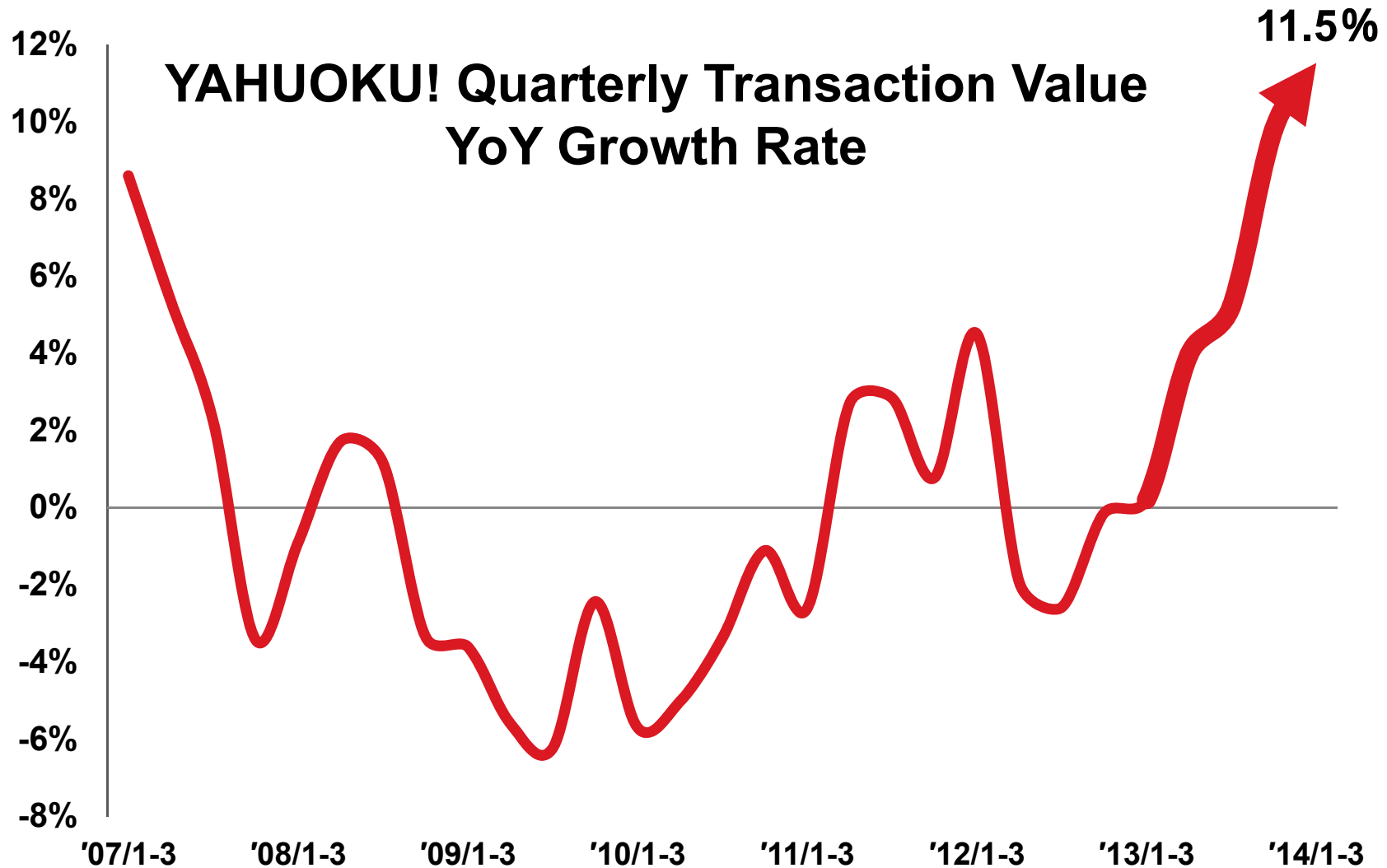


YAHUOKU! (Auction)

- **Number of bidders increased YoY. New bidders increased by more than 10% YoY.**
- **Average winning bid increased by more than 10% YoY.**
- **Number of buyers increased YoY for three consecutive months in a quarter for the first time in 4 years.**

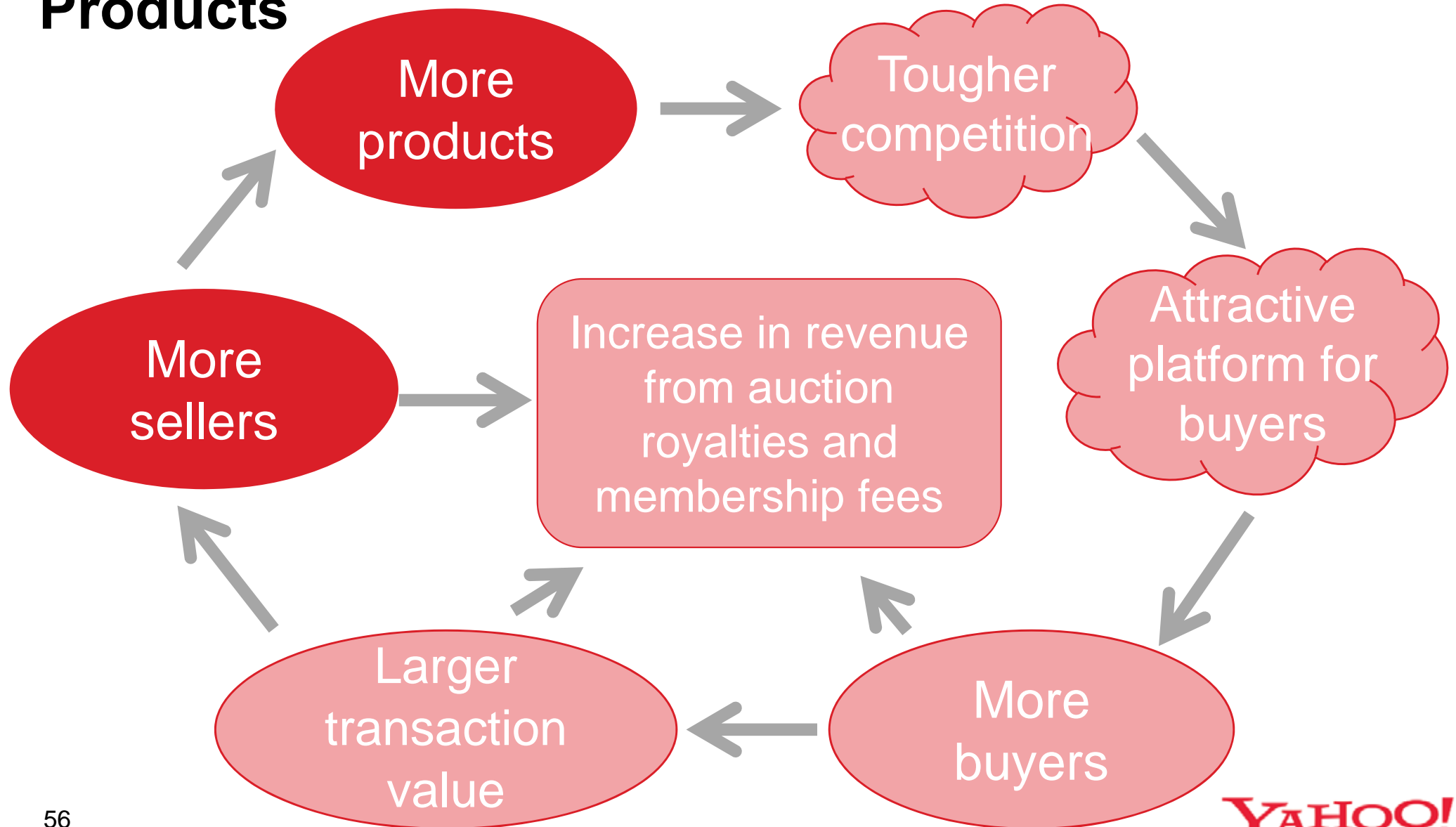
YAHUOKU! (Auction)

YAHUOKU! Quarterly Transaction Value Growth Rate Accelerated



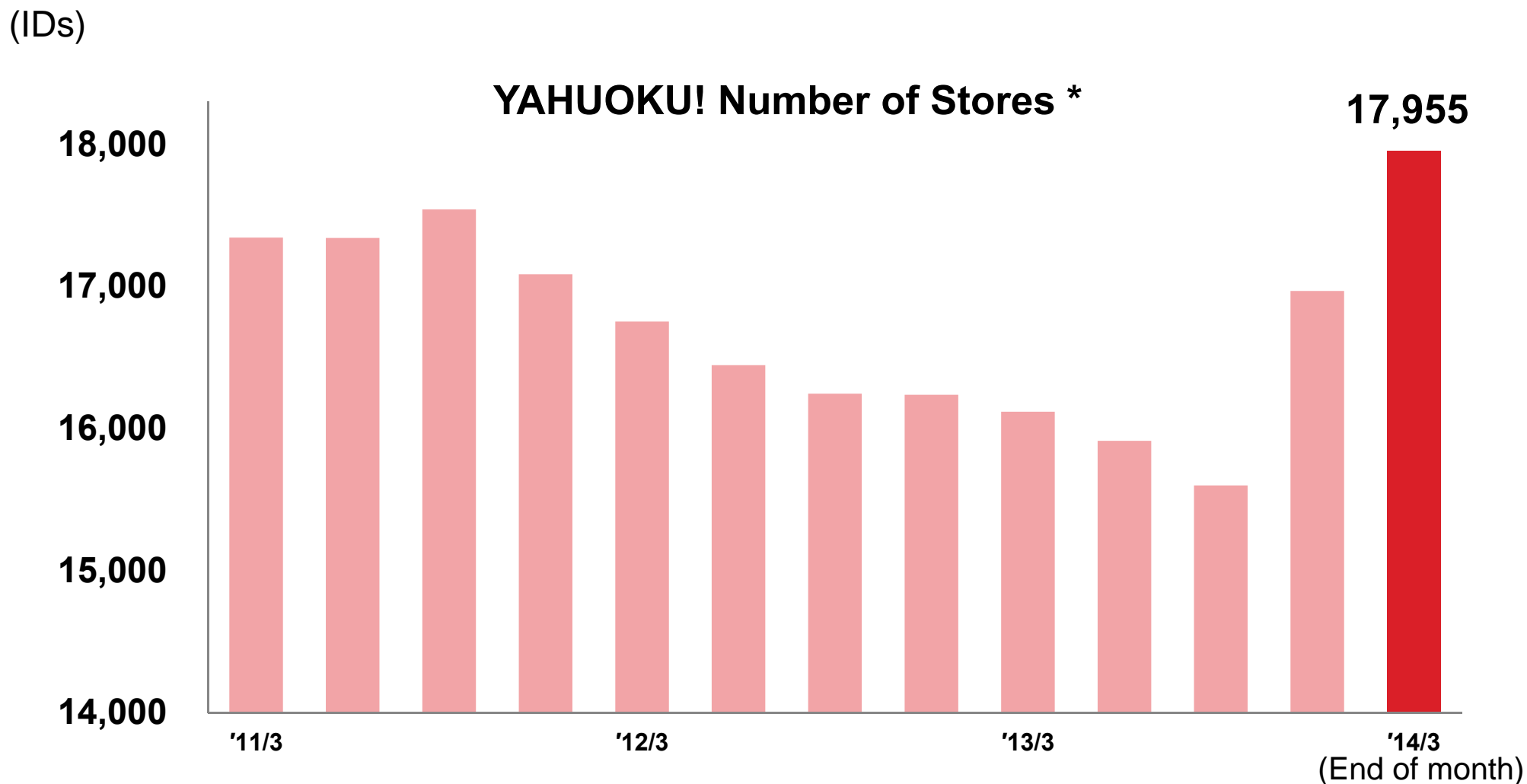
YAHUOKU! (Auction)

Will Increase the Number of Both Sellers and Products



YAHUOKU! (Auction)

Number of issued store IDs continued to grow.



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

YAHUOKU! (Auction)

- Number of listings increased approx. 10% YoY.
- Number of sellers in March increased YoY for the first time in 2 years.

／ 今までもこれからも ／

個人^{*}が出品している商品は

※事業者はのぞく

0 消費税

%

なんです!



CMギャラリーは
こちら [▼](#)

Opened “Reuse Japan Market”

- Held an offline promotion event to encourage people to reuse items.
- World largest flea market - participants bring used clothes to Fukuoka YAHUOKU! Dome (baseball field) and join in reuse activities.



Capital and Business Alliance with BOOKOFF

- Yahoo Japan Corporation will acquire 3.1 million shares (15.02% of voting rights) of BOOKOFF CORPORATION LIMITED via allocation of new shares as of May 15, 2014.
- We also will acquire 77 convertible bonds, which will increase our voting share ratio to be 43.22% after conversion.



YAHUOKU! Will Be a Sales Platform for BOOKOFF Products

- We purchase items from customers at approx. 1,000 stores of BOOKOFF, and sell them on YAHUOKU!
- We aim to increase the inventory of used books at YAHUOKU! to **10 million**, 5 times the present level.

BOOK·OFF®



ヤフオク!

YAHUOKU!

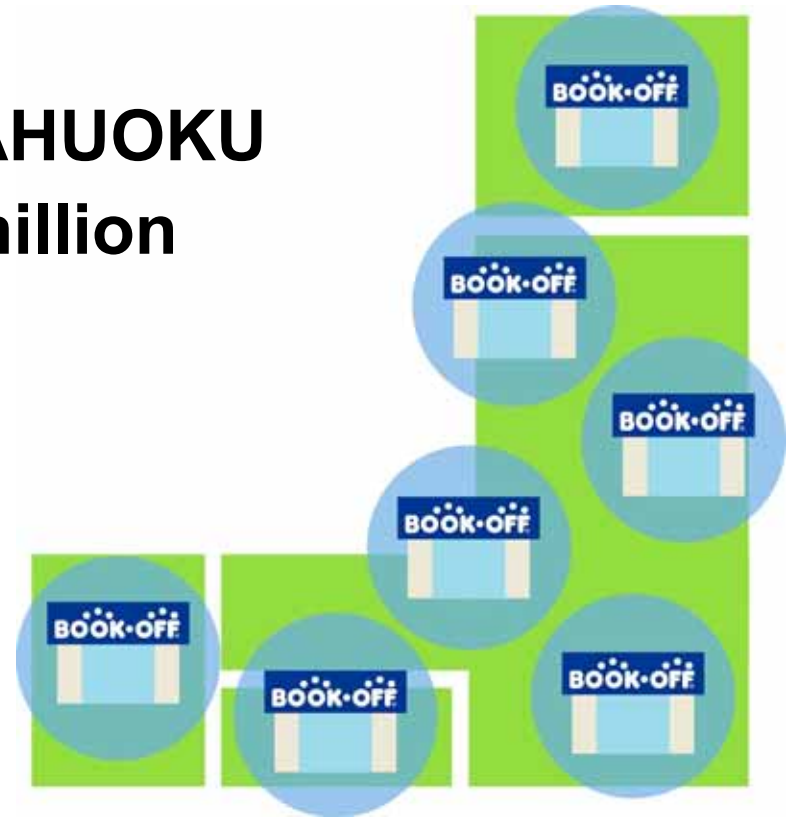
YAHOO!
JAPAN

Use Offline Stores of BOOKOFF to Promote YAHUOKU!

- **BOOKOFF plans to start trading various items in FY2014.**

- **The trade of mobile phones will be strengthened in BOOKOFF stores.**

Mobile phones will be traded on YAHUOKU as well, and we aim at stocking 1 million handsets constantly.



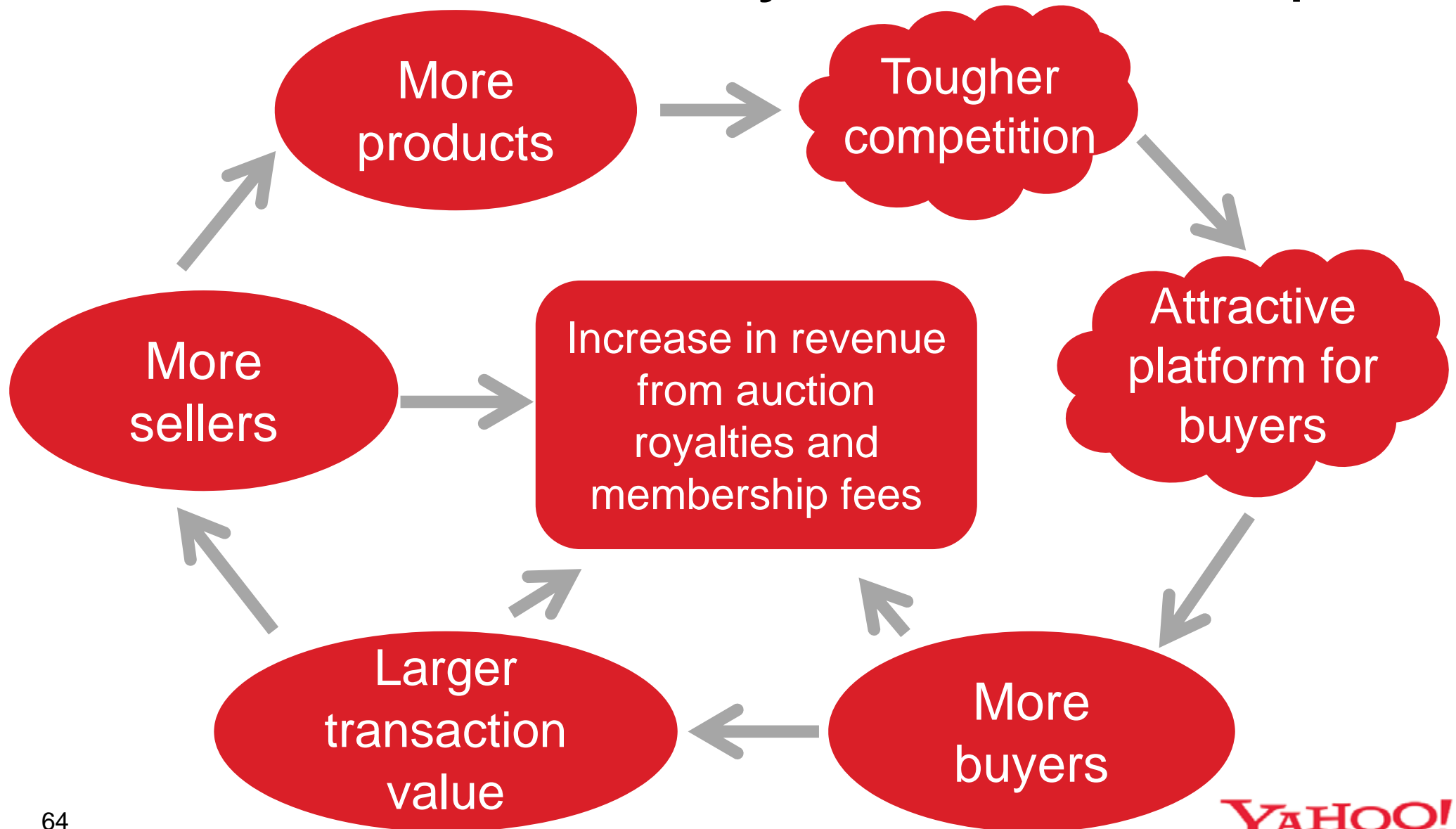
Plan to Establish Nation's Largest Reuse Center

- Part of items gathered at BOOKOFF to be sold at YAHUOKU! will be kept here.
- We plan to use this center to develop B2B reuse activities, or to offer e-commerce fulfillment services to stores, etc.



YAHUOKU! (Auction)

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



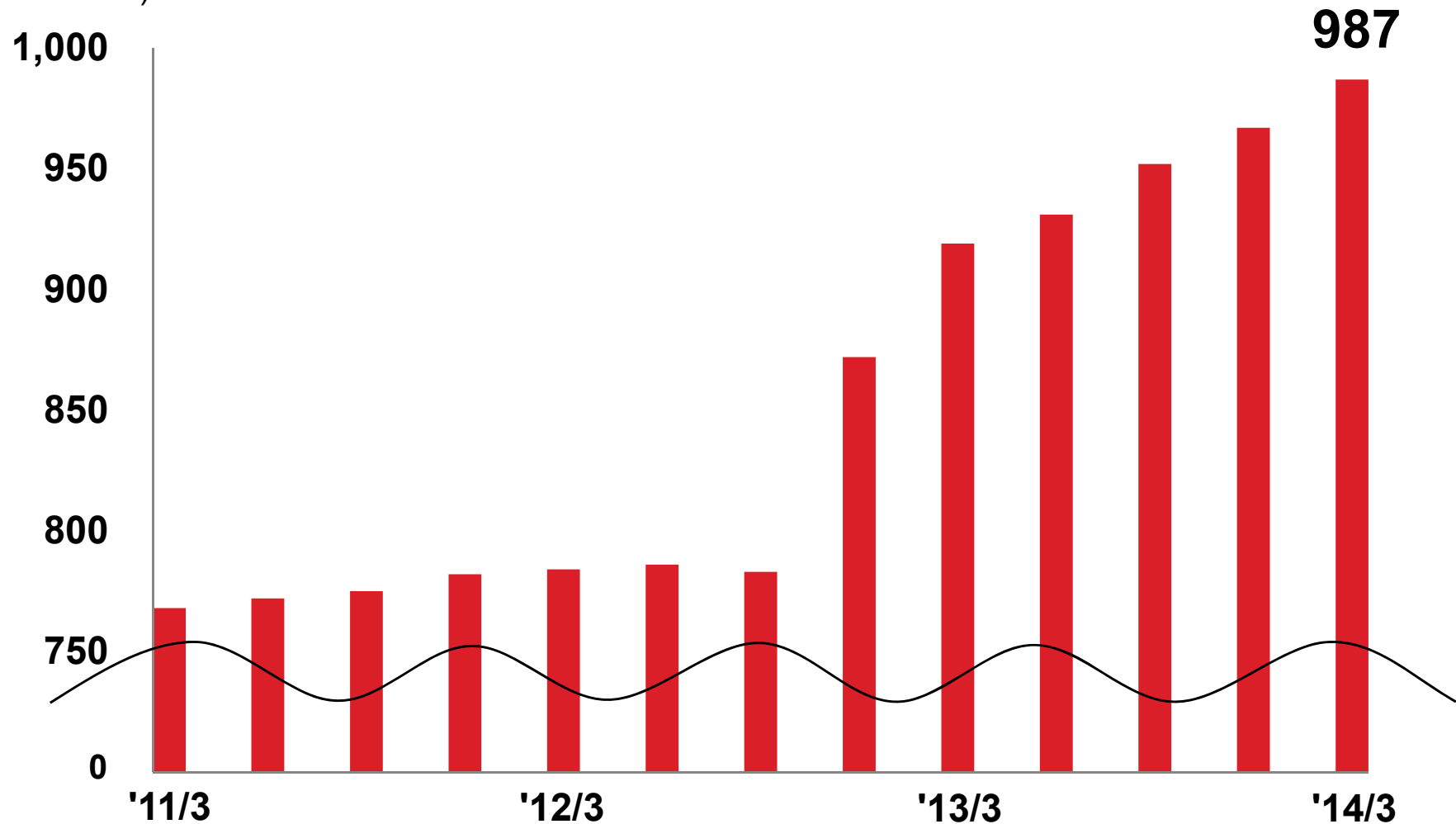


Premium Membership

Number of Premium Member IDs Reached 9.87 Million by End of March.

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

(10 thousand IDs)



Started to Offer “Smartphone Super Valuable Pack”

Softbank Smartphone users can subscribe to this package which includes various services such as “Yahoo! Premium,” support services when handsets are lost or stolen, participation rights for LOHACO exclusive super sales for members, etc., at 500 yen per month.

SoftBank限定

あなたのスマホにお得と安心をプラスする

90日用品が最大%OFF

1000特典以上使い放題!

スマホの盗難など「もしも」のときに安心サポート

Settlement & Finance

Other Businesses


Strengthen Collaboration with Japan Net Bank

- After receiving approval of the Financial Services Agency to become a major shareholder of the bank as of April 1, 2014, plan to increase percentage of shares of Japan Net Bank held by Yahoo! JAPAN to 41.16% as of April 30, 2014.
- We will strengthen the tie-up between Japan Net Bank and YAHUOKU! by offering various services such as free usage of “Yahoo! ezPay,” etc.



Started to Offer “Yahoo! Wallet FastPay”

- Users can adopt our on-line credit card settlement system by posting several lines of program code.
- The settlement fee is 3.25% of the settlement amount, which is lowest in the industry.
No need to pay initial cost nor monthly fees.



< >

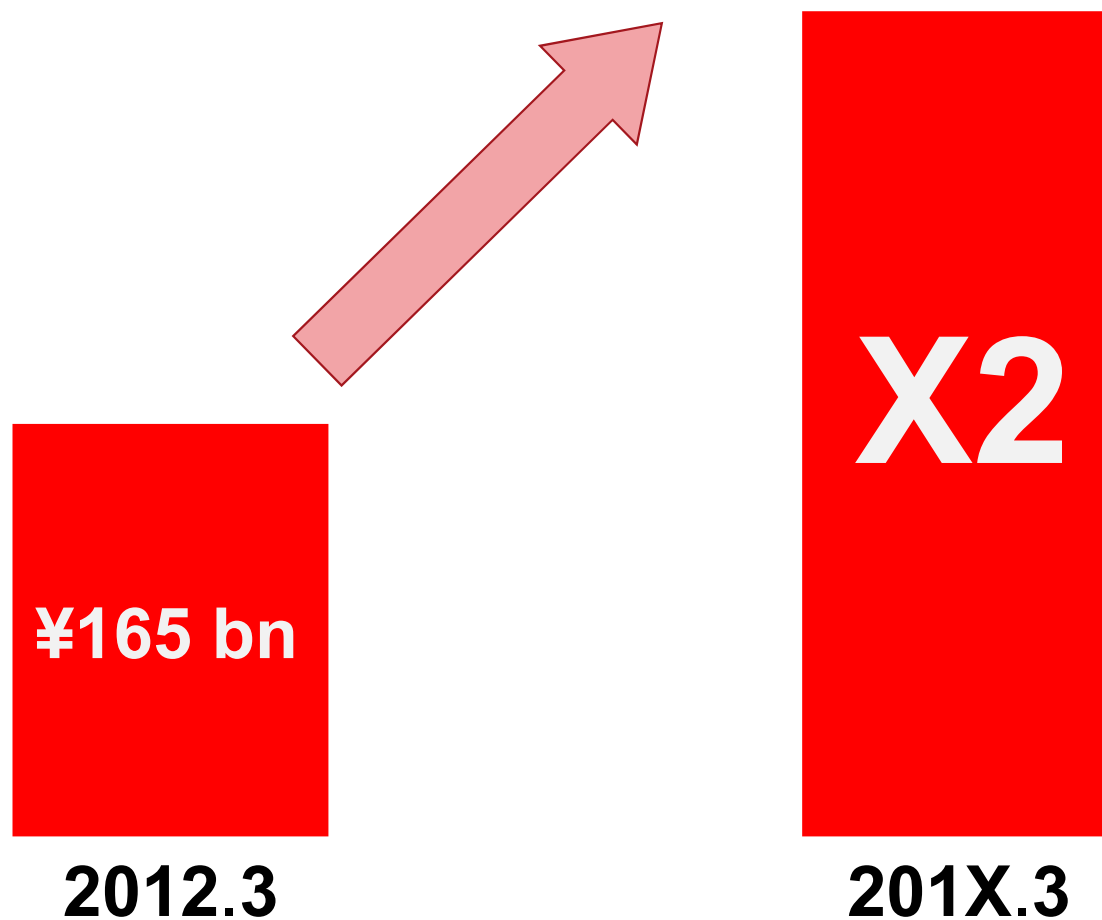
数行のコードで決済が可能
サンプルのコードを見れば簡単
たった数行で驚くほど簡単に決済機能を導入できます

cURL PHP Ruby Python

```
curl https://fastpay.yahooapis.jp/v1/charges \  
-u dummy_secret_xxxxxxx: \  
-d "amount=400" \  
-d "card=dummy_tokenid_xxxxxxx" \  
-d "description=fastpay@example.com"
```

Internet Carrier Business

Rejuvenated Yahoo! JAPAN Started Operations in April 2012



Double Operating Income by FY ending March 201X

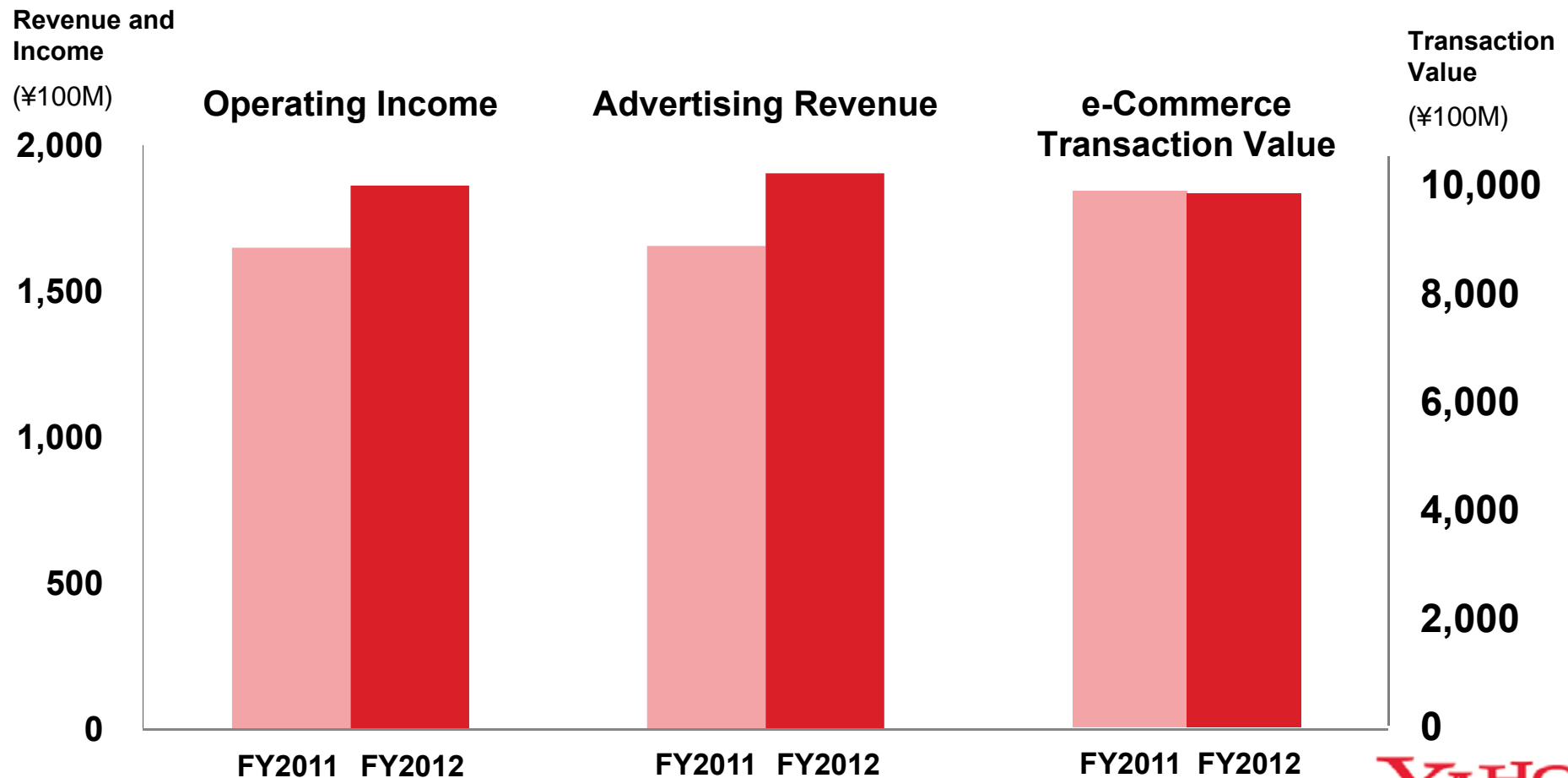
FY2012

Operating income +12.9% YoY

Advertising revenue +15.0% YoY

However, transaction value* was down 0.5%.

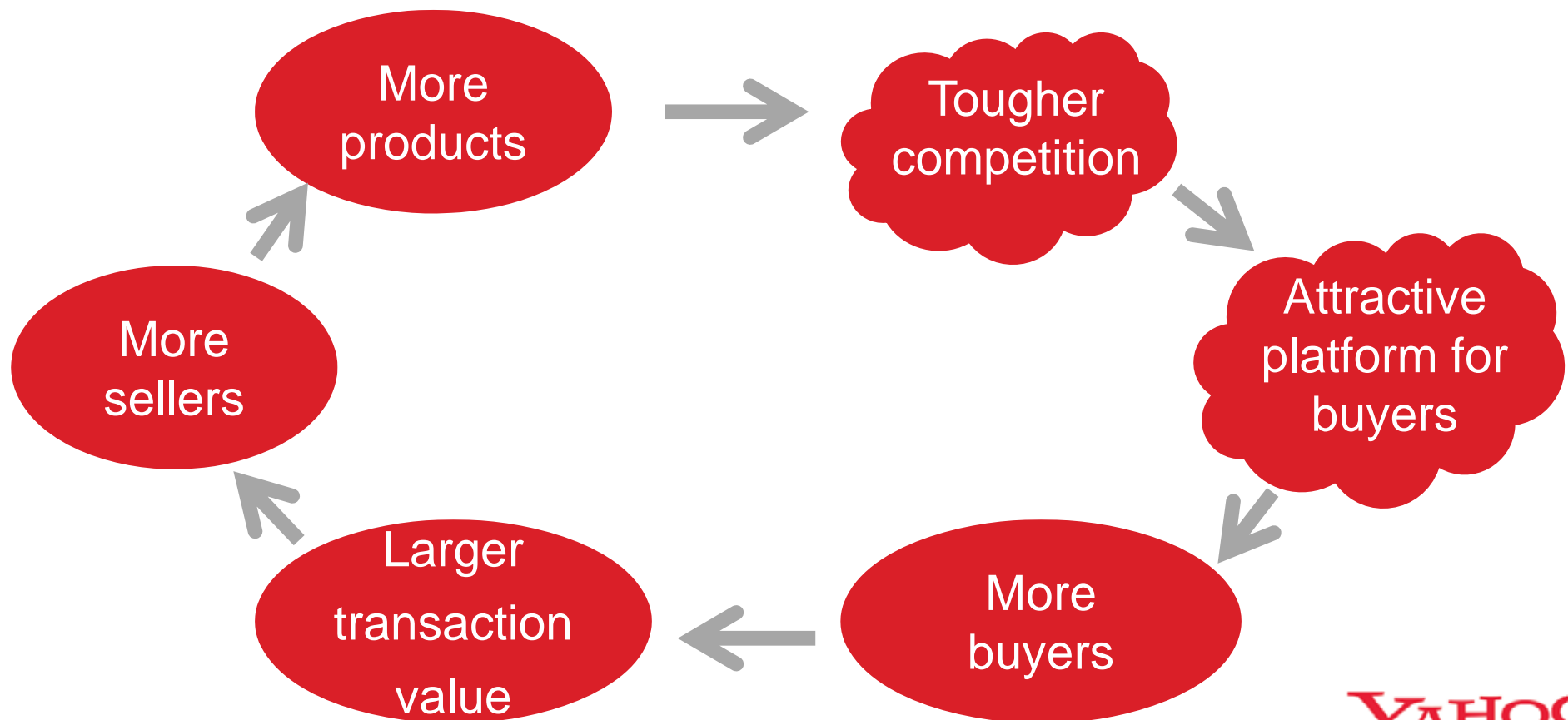
We needed to restructure our e-commerce business.



* Transaction value of YAHUOKU! and shopping-related services

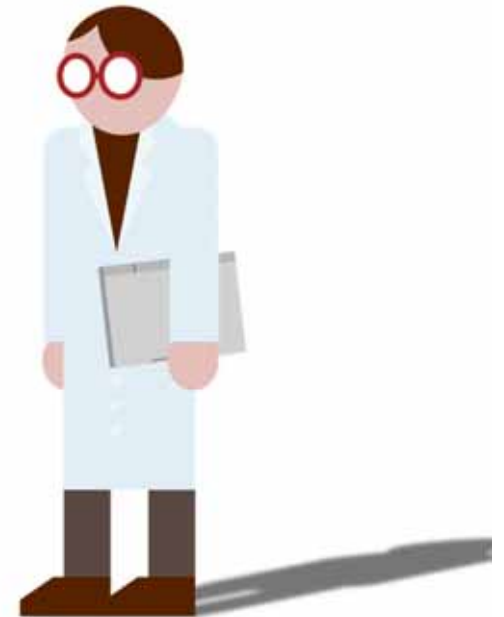
October 2013

Announced new strategies for e-commerce business aiming at expansion of transaction value.
We are proceeding the project as planned: numbers of sellers, buyers, and products as well as transaction value expanded.



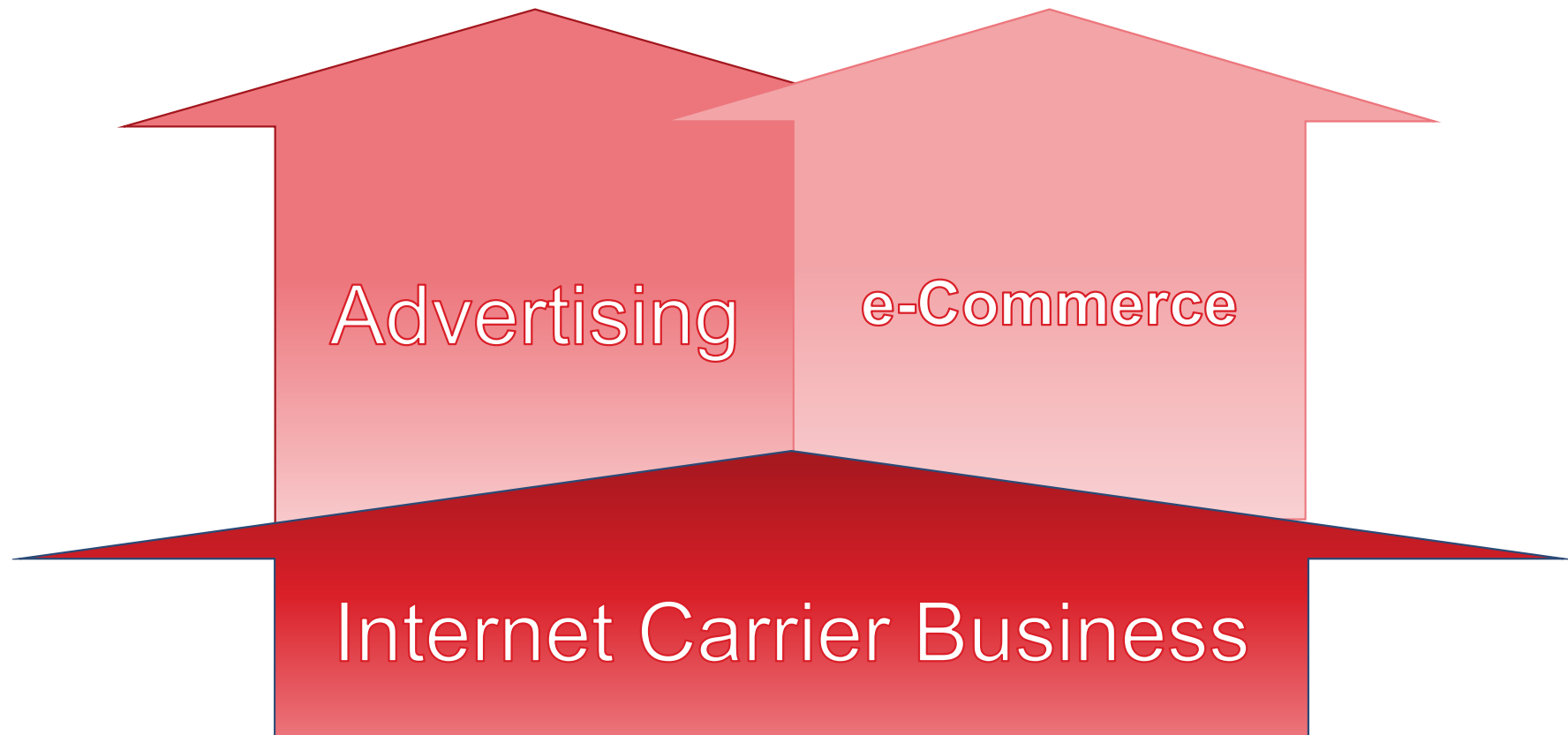
November 2013

Announced new initiatives for advertising. Even in the successfully expanding advertising field, we are making continuous efforts to develop new revenue sources to add to paid search and display advertising.



March 2014

Announced the start of an Internet carrier business that provides a platform for advertising and e-commerce business



eAccess Ltd. Will Become a Subsidiary of Yahoo Japan Corporation

- **Planning to acquire 99.68% of issued shares (33.29% of voting rights) from SoftBank Corp. on June 2, 2014.**
- * **eAccess Ltd. will undergo a merger with WILLCOM, Inc. on June 1, 2014, with eAccess Ltd. as the surviving company.**

Acquisition Process

June 1, 2014
eAccess Ltd.
and WILLCOM, Inc.
will merge.

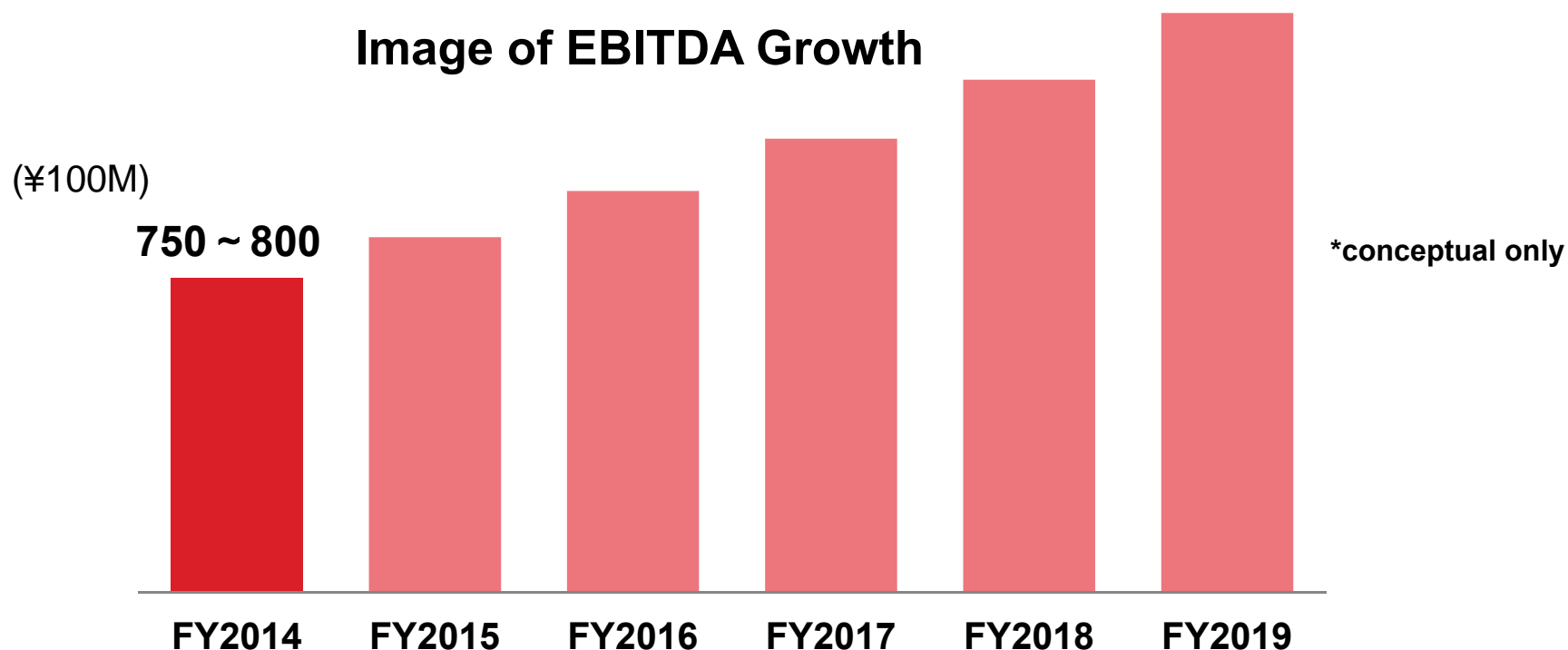


June 2, 2014
Yahoo Japan Corporation
will acquire the shares of
eAccess Ltd. (surviving company)
from SoftBank Corp.



Addition of Revenue and Profit Through Telecommunication Services

We aim at increasing the number of Y!mobile users centering Yahoo! JAPAN user base in an attractive market in size and potential.

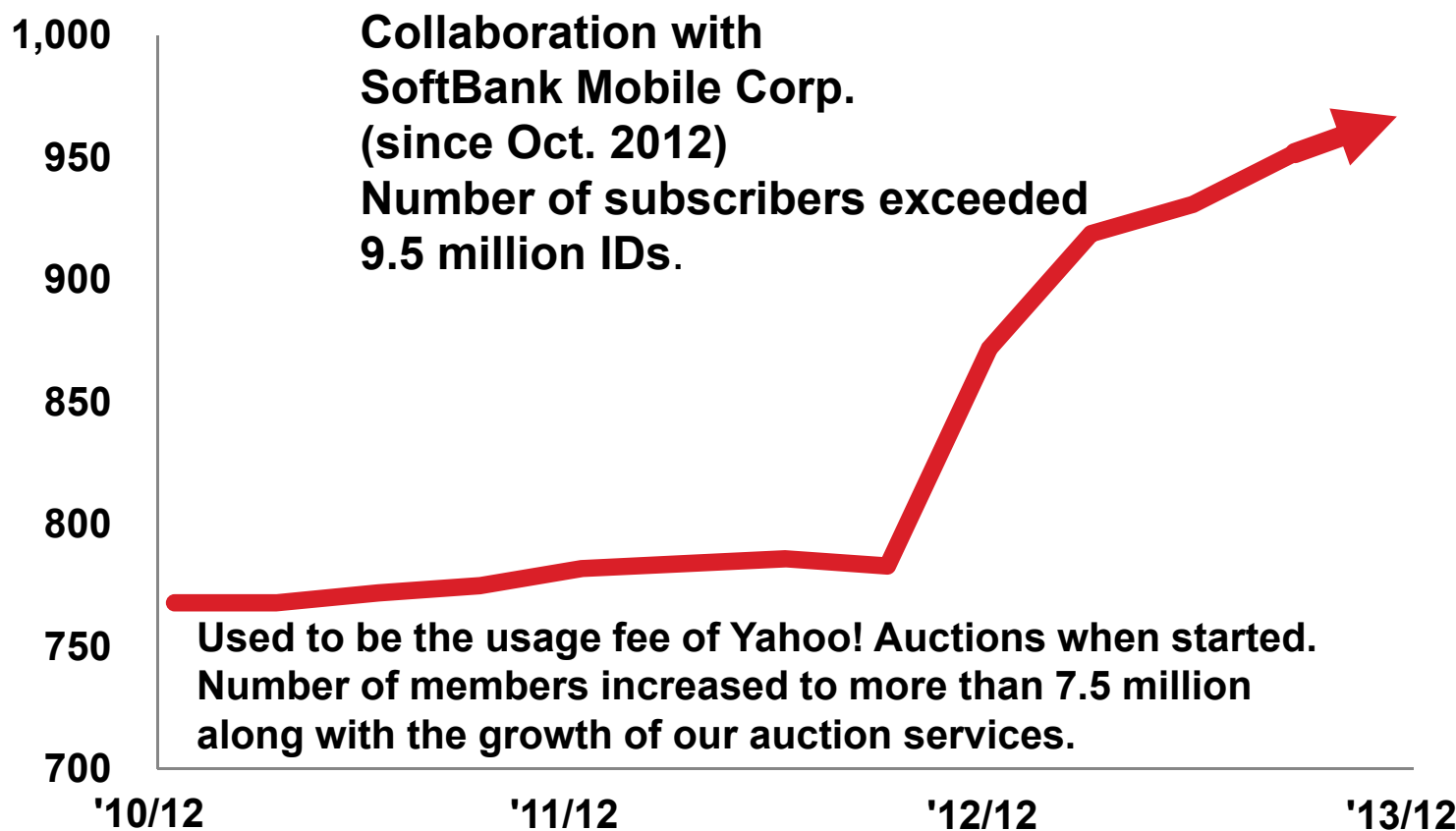


The above FY2014 EBITDA represents twelve months. The actual FY2014 consolidation period of eAccess will be ten months.
The above figures include impact of highly possible business synergies with Yahoo! JAPAN after the acquisitions

Expansion of Paid Services Revenue

By offering paid services such as Yahoo! Premium to Y!mobile Users, we aim to increase the number of members as well as related revenue.

(10 thousand IDs)



Expansion of Usage of Yahoo! JAPAN

We will offer smart device handsets with our services pre-installed as a start point.

This and other measures will expand the usage of our services to increase media value, advertising inventory, and e-commerce transaction value.



Leverage Y!mobile Shops To Expand Usage of Yahoo! JAPAN Services

- Planning to leverage existing 1,000 carrier shops, 2,000 mass merchandise outlets and others, and more than 6,000 sales people.
- Will consider promoting Yahoo! JAPAN services by using the spots to acquire subscribers for our membership services including Yahoo! Cards, as pick-up centers for Yahoo! Shopping goods, or support centers for listing items on our auction services, etc.

Y!mobile

Increase in Number of Smartphone Users Will Change the Internet Usage Environment

Expanding Y!mobile usage will increase the number of Internet users and expand the markets for Internet advertising, e-commerce and digital content.



Yahoo! JAPAN 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.**

**To more than double the number of
Y!mobile subscribers.**

(over 20 million subscribers in total)

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FY2013 Statements of Income

	FY2012	FY2013	Change
Revenue (¥100M)	3,429	3,862	12.6 %
Cost of Sales (¥100M)	363	490	34.8 %
Gross Profit (¥100M)	3,065	3,372	10.0 %
SG&A (¥100M)	1,202	1,398	16.3 %
Operating Income (¥100M)	1,863	1,974	5.9 %
Ordinary Income (¥100M)	1,886	1,976	4.8 %
Net Income (¥100M)	1,150	1,251	8.8 %
Fully Diluted EPS (¥) *	19.84	21.82	10.0 %
Number of Shares Assuming Full Dilution (million) * **	5,797	5,734	-1.1 %

* 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 previous year has been retroactively adjusted.

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

FY2013 Annual 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	2,725	Advertising	2,128	525	730	1,469	1,470	53.9%	53.9%
		Business Services	438						
		Personal Services	124						
		Intra-Company Revenue	34						
Consumer Business	1,018	Advertising	38	19	329	668	667	65.7%	65.6%
		Business Services	214						
		Personal Services	740						
		Intra-Company Revenue	25						
Others	225	Advertising	0	32	112	81	75	35.9%	33.4%
		Business Services	58						
		Personal Services	136						
		Intra-Company Revenue	29						
Adjustments	-106	Advertising	-9	-86	225	-245	-236	-	-
		Business Services	-7						
		Personal Services	-						
		Intra-Company Revenue	-89						
Total	3,862			490	1,398	1,974	1,976	51.1%	51.2%

Annual SG&A Breakdown

(¥ 100M)

Major Factors for YoY Changes

	FY2012	FY2013	Composition Ratio	Change
Personnel Expenses	392	452	32.4%	15.3%
Business Commissions	143	167	12.0%	16.5%
Sales Promotion Costs	108	146	10.5%	35.4%
Depreciation Expenses	102	114	8.2%	12.6%
Royalties	99	112	8.0%	12.9%
Content Provider Fees	69	89	6.4%	28.7%
Lease and Utility Expenses	72	73	5.3%	1.5%
Communication Charges	63	59	4.3%	-5.5%
Sales Commissions	51	49	3.5%	-3.4%
Administrative and Maintenance Expenses	25	28	2.1%	14.5%
Advertising Costs	16	27	2.0%	64.8%
Amortization of Goodwill	12	24	1.8%	96.9%
Taxes and Public Dues	17	17	1.3%	-1.0%
License Fees	7	15	1.1%	115.5%
Others	20	17	1.1%	-13.1%
SG&A Total	1,202	1,398	100.0%	16.3%

Number of employees reached 6,291, up 511 persons (8.8%)

Increase of operations commission fees for our services

Increase of e-commerce related promotion costs and T-POINT expenses

Acquisition of shares of YJFX, Inc.

Increase in revenue

Increase in costs of search system

FY2013 Balance Sheets

major items	(2012/3/31)	(2013/3/31)	Decrease	Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	5,761	6,652	891		
Cash and Cash Equivalents	4,140	4,826	685	Increase in cash from operating activities	
Notes and Accounts Receivable - Trade	559	611	52		
Foreign Exchange Dealings Cash Segregated as Deposits for Customers	684	751	67	Increase in foreign exchange margin transactions	
Fixed Assets	1,672	1,774	102		
Tangible Fixed Assets	451	536	85	Increase due to construction of data center	
Intangible Fixed Assets	288	280	-7		
Investment Securities	809	824	15		
Total Assets	7,433	8,427	994		
< Liabilities >					
Current Liabilities	1,890	2,131	240		
Accounts Payable - Other	216	250	34		
Income Taxes Payable	422	457	35		
Foreign Exchange Dealings Deposits from Customers	724	815	91	Increase in foreign exchange margin transactions	
Long-term Liabilities	29	30	1		
Total Liabilities	1,920	2,161	241		
<Net Assets>					
Shareholders' Equity	5,388	6,115	726		
Common Stock	80	82	2		
Capital Surplus	31	33	2		
Retained Earnings	5,280	6,004	723	Increase in net income	
Accumulated Other Comprehensive Income	45	64	18		
Minority Interests	72	78	6		
Total Net Assets	5,512	6,265	752		
Total Liabilities and Net Assets	7,433	8,427	994		

FY2013 Cash Flow Statements

Major Items	FY2013 (Apr. 2013 - Mar. 2014)	Major Factors for Changes (¥ 100M)
<u>Operating Activities</u>	<u>1,328</u>	
Net Income before Income Taxes	2,046	
Depreciation Expenses	142	
Gain-Loss on Sale of Investment Securities	-117	
Accounts Receivable and Payable -Trade	-31	
Other Current Assets/Liabilities	81	
Payment of Income Taxes and Other Taxes	-765	
<u>Investing Activities</u>	<u>-73</u>	
Expenditures and Proceeds on Time Deposits	42	Construction of data center, etc.
Acquisition of Tangible Fixed Assets	-197	
Acquisition of Intangible Fixed Assets	-29	
Acquisition and Sales of Investment Securities	115	Sale of shares of MACROMILL, INC.
Acquisition of Shares of Subsidiaries	-20	
<u>Financing Activities</u>	<u>-531</u>	Acquisition of own shares and payment of dividends
<u>Net Change in Cash Flows</u>	<u>727</u>	

FY2013-4Q Statements of Income

	2012-4Q	2013-4Q	Change
Revenue (¥100M)	979	1,013	3.5 %
Cost of Sales (¥100M)	119	128	6.9 %
Gross Profit (¥100M)	859	885	3.0 %
SG&A (¥100M)	350	382	9.2 %
Operating Income (¥100M)	509	502	-1.3 %
Ordinary Income (¥100M)	518	499	-3.6 %
Quarterly Net Income (¥100M)	318	319	0.4 %
Fully Diluted EPS (¥) *	5.51	5.61	1.9 %
Number of Shares Assuming Full Dilution (million) * **	5,786	5,698	-1.5 %

* 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.

FY2013-4Q 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	744	Advertising	585	138	195	410	410	55.1%	55.2%
		Business Services	116						
		Personal Services	32						
		Intra-Company Revenue	9						
Consumer Business	239	Advertising	8	4	88	146	145	61.2%	60.8%
		Business Services	39						
		Personal Services	184						
		Intra-Company Revenue	7						
Others	60	Advertising	0	7	31	21	18	36.5%	30.6%
		Business Services	14						
		Personal Services	37						
		Intra-Company Revenue	8						
Adjustments	-30	Advertising	-2	-22	67	-76	-75	-	-
		Business Services	-2						
		Personal Services	-						
		Intra-Company Revenue	-25						
Total	1,013			128	382	502	499	49.6%	49.3%

Business Segment Breakdown

Marketing Solutions Business

- **Advertising:** Paid search advertising “Sponsored Search”
Display advertising (Premium advertising, Interest-based advertising (YDN))
- **Business Services:** Data Center-related, Affiliate-related, Yahoo! Real Estate, Automobile-related, Individual, 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 YAHUOKU!, Yahoo! Travel, Yahoo! BB incentive fees and others
- **Personal Services:** Yahoo! Premium, Personal system-use fees of YAHUOKU!, 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

Quarterly SG&A Breakdown

(¥ 100M)

Major Factors for YoY Changes

	12/4Q	13/3Q	13/4Q	Composition Ratio	QoQ Change	YoY Change
Personnel Expenses	115	109	122	32.1%	11.9%	5.8%
Business Commissions	36	43	45	12.0%	5.0%	26.6%
Sales Promotion Costs	30	40	40	10.6%	0.7%	32.2%
Depreciation Expenses	30	28	33	8.6%	14.9%	8.6%
Royalties	28	28	29	7.7%	4.9%	2.9%
Content Provider Fees	18	23	27	7.1%	13.6%	46.7%
Lease and Utility Expenses	18	18	18	4.8%	-1.3%	0.3%
Sales Commissions	14	12	14	3.7%	11.1%	-1.0%
Communication Charges	16	14	13	3.6%	-5.5%	-16.5%
Advertising Costs	9	8	11	2.9%	37.4%	12.2%
Administrative and Maintenance Expenses	7	7	7	2.0%	5.9%	4.4%
Amortization of Goodwill	7	6	6	1.6%	-4.7%	-13.0%
Taxes and Public Dues	5	3	4	1.3%	34.1%	-8.9%
License Fees	2	4	4	1.2%	-0.8%	68.5%
Others	8	3	3	0.8%	-6.4%	-61.7%
SG&A Total	350	353	382	100.0%	8.2%	9.2%

Number of employees reached 6,291 up 511 persons (8.8%)

Increase of operations commission fees for our services

Increase of e-commerce related promotion costs and T-POINT expenses

Increase of search system-related costs

FY2013-4Q Balance Sheets

Major Items	2013/12/31	2014/3/31	Increase/ Decrease	Major Factors for Increase/Decrease	(¥ 100M)
< Assets >					
Current Assets	6,110	6,652	541		
Cash and Cash Equivalents	4,299	4,826	526	Increase in cash from operating activities	
Notes and Accounts Receivable - Trade	565	611	45		
Foreign Exchange Dealings Cash Segregated as Deposits for Customers	776	751	-24		
Fixed Assets	1,777	1,774	-2		
Tangible Fixed Assets	495	536	41	Construction of data center	
Intangible Fixed Assets	290	280	-10		
Investment Securities	858	824	-33		
Total Assets	7,888	8,427	538		
< Liabilities >					
Current Liabilities	1,843	2,131	287		
Accounts Payable - Other	222	250	28	Higher taxable income	
Income Taxes Payable	220	457	236		
Foreign Exchange Dealings Deposits from Customers	845	815	-29		
Long-term Liabilities	29	30	1		
Total Liabilities	1,873	2,161	288		
<Net Assets>					
Shareholders' Equity	5,880	6,115	234		
Common Stock	82	82	0	Increase in quarterly net income	
Capital Surplus	33	33	0		
Retained Earnings	5,983	6,004	21		
Treasury Stocks	-217	-5	212		
Accumulated Other Comprehensive Income	51	64	12		
Minority Interests	76	78	2		
Total Net Assets	6,015	6,265	249		
Total Liabilities and Net Assets	7,888	8,427	538		

FY2013-4Q Cash Flow Statements

Major Items	FY2013-4Q (Jan. - Mar. 2014)	(¥ 100M)
<u>Operating Activities</u>	<u>565</u>	
Quarterly Net Income before Income Taxes	538	
Depreciation Expenses	39	
Gain-Loss on Sale of Investment Securities	-66	
Accounts Receivable and Payable -Trade	-15	
Other Current Assets/Liabilities	86	
Payment of Income Taxes and Other Taxes	-13	
<u>Investing Activities</u>	<u>545</u>	
Proceeds on Time Deposits	500	
Acquisition of Tangible Fixed Assets	-66	
Acquisition of Intangible Fixed Assets	-6	
Acquisition and Sale of Investment Securities	112	
<u>Financing Activities</u>	<u>-83</u>	
Acquition of Treasury Stocks	-85	
<u>Net Change in Cash Flows</u>	<u>1,026</u>	

FY2013-4Q Highlights

– Marketing Solutions Business

Paid search advertising

(Paid search advertising [Sponsored Search])

- Smartphone advertising revenue expanded substantially year on year due to such measures as promoting search service usage for smartphone.
- Sponsored Search revenue grew by 2.4% from the fourth quarter last year.

Display advertising

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

- YDN revenue expanded sharply year on year.
- In Brand Panel, revenue of Top Impact and other advertising products with a highly effective branding impact (Rich Ad) increased.
- As a result, overall revenue of display advertising rose by 18.2% compared with the fourth quarter last year.

(¥ 100M)

Marketing Solutions Business	2012-4Q	2013-4Q	YoY Change
Revenue	682	744	9.0%
Operating Income	370	410	10.8%

FY2013-4Q 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 transaction value of Yahoo! Shopping increased by 20% or more year on year with implementation of new strategy initiatives and spike in demand before the consumption tax raise.
- YAHUOKU!'s transaction value expanded by about 10% year on year, as a result of higher demand before the consumption tax raise, in addition to increasing transaction value via smartphones.

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 March 31, 2014 climbed to 9.87 million IDs.

(¥ 100M)

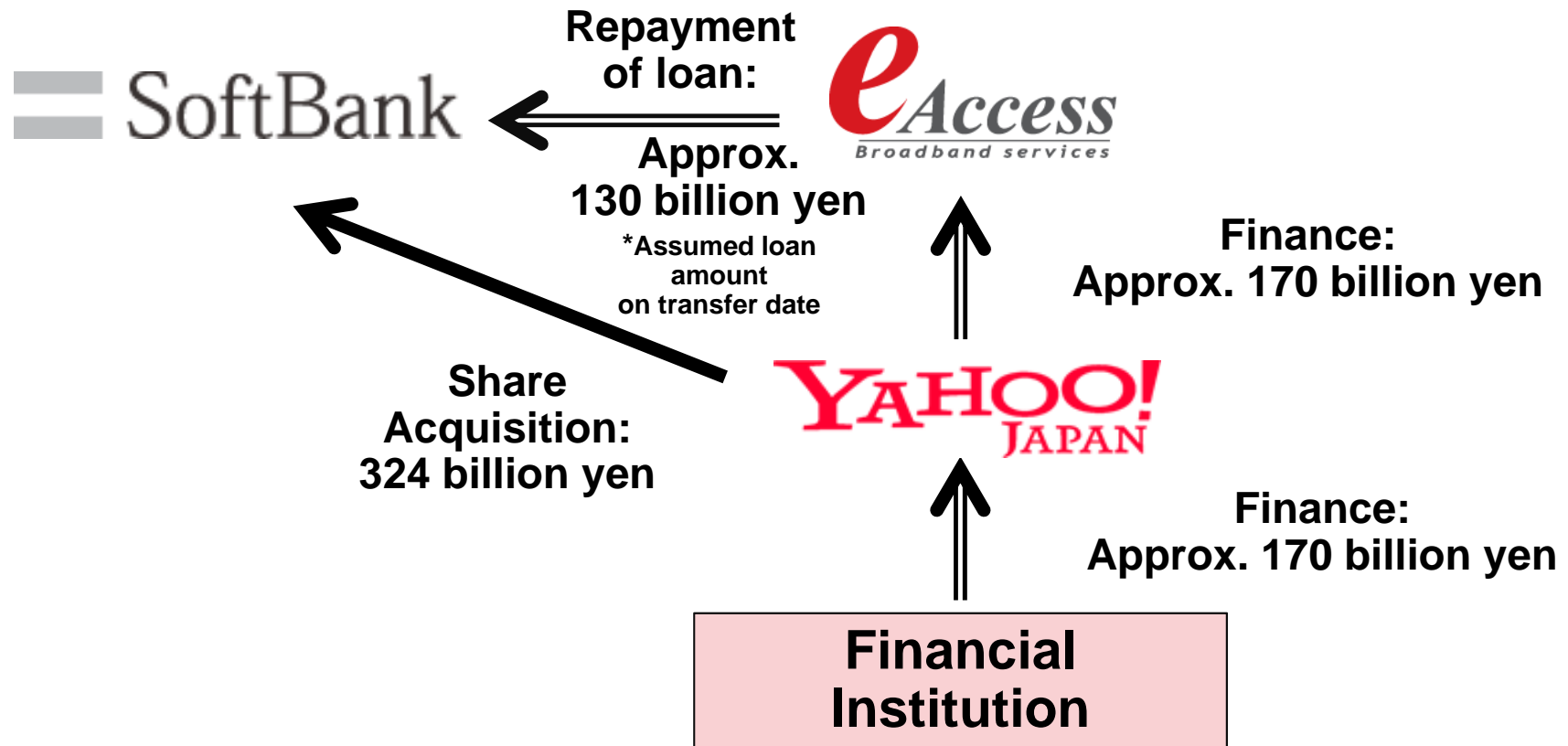
Consumer Business	2012-4Q	2013-4Q	YoY Change
Revenue	259	239	-7.6%
Operating Income	192	146	-23.5%

Acquisition Conditions for eAccess Ltd.

Number of shares to be acquired	Class A shares (non-voting shares) 342,777 shares (after the merger) Class B shares (voting shares) 549 shares (33.29% of voting rights)
Acquisition cost	324 billion yen (Paid with cash)

Yahoo Japan Corporation decided to adopt International Financial Reporting Standards (IFRS) from fiscal year 2014. Based on IFRS, eAccess Ltd. will be a consolidated subsidiary of the Company.

Investments and Loans



Yahoo Japan Corporation will provide finance to eAccess.
The loan from SoftBank to eAccess will be repaid.

Business Overview of Companies To Be Merged and Acquired

FY2012	eAccess Ltd.	WILLCOM, Inc.
Revenue	¥220.7 billion	¥169.3 billion
Operating Income	¥15.0 billion	¥6.3 billion
Ordinary Income	¥10.1 billion	¥6.7 billion
Net Income	-¥2.4 billion	¥7.7 billion
Net Assets	¥76.7 billion	¥56.1 billion
Total Assets	¥351.7 billion	¥149.0 billion
Number of Employees	1,278	866

Spectrum Comparison

Carrier	Frequency Band								Total
	700MHz	800MHz	900MHz	1.5GHz	1.7GHz	1.9GHz	2.1GHz	2.5GHz	
NTT DOCOMO	10MHzx2 Under Migration *1	15MHzx2 (LTE 10MHzx2)	-	15MHzx2 (LTE 15MHzx2)	20MHzx2 (LTE 20MHzx2) Only Tokyo, Nagoya and Osaka	-	20MHzx2 (LTE 15MHzx2)	-	80MHzx2 (LTE 55MHzx2)
KDDI	10MHzx2 Under Migration *1	15MHzx2 (LTE 10MHzx2)	-	10MHzx2 (LTE 10MHzx2)	-	-	20MHzx2 (LTE 20MHzx2)	-	55MHzx2 (LTE 40MHzx2)
UQ Communications	-	-	-	-	-	-	-	50MHz (TDLTE)	50MHz (TDLTE)
SoftBank Mobile	-	-	15MHzx2 (LTE 10MHzx2) *2	10MHzx2	-	-	20MHzx2 (LTE 10MHzx2)	-	45MHzx2 (LTE 20MHzx2)
eAccess	10MHzx2 Under Migration *3	-	-	-	15MHzx2 (LTE 10MHzx2)	-	-	-	25MHzx2 (LTE 10MHzx2)
WILLCOM	-	-	-	-	-	31.2MHz (PHS) ShareBand *4	-	-	31.2MHz (PHS)
Wireless City Planning	-	-	-	-	-	-	-	30MHz (TDLTE) *5	30MHz (TDLTE)

*1 Service to commence from January 2015 or after.

*2 Start of service using LTE 10MHz x 2 planned in FY2014.

*3 Service to commence from December 2015 or after.

*4 Shared with DECT (Digital Enhanced Cordless Telecommunications) for some bands.

*5 Operation restrictions apply until the end of 2014 (only available indoors).

Management Team

Chairman

President & CEO

SEVP (Senior Executive Vice President)

SEVP (Senior Executive Vice President)

SEVP (Senior Executive Vice President)

Director

Director

Eric Gan

Manabu Miyasaka

Hiroyuki Terao

Motonari Abe

Shin Murakami

Ken Miyauchi

Toshiki Oya

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	YDN	Interest-based Advertising “Yahoo! Display Ad Network”(YDN) (Sales Promotion)		Text Banner	Top page Contents pages
		Premium DSP (Sales Promotion)	Banner	Per impression (Page view) (per-impression rate determined by auction bid price)	
	Premium Advertising (Branding and image enhancement)	Banner Video	Per impression (Page view) (per-impression rate determined by contract)		

Paid Search Advertising Revenue by Industry

Industries with large year-on-year increase

- Interior/Gardening/Renovation/DIY
- Department Stores/Mail Order/Shopping Malls
- Fashion/Accessories

Industries with large year-on-year decrease

- Finance/Insurance/Securities
- Real Estate/Housing/Household Equipment
- Information Processing/Software/
Internet Information Service

	12/4Q	13/1Q	2Q	3Q	4Q
Transportation/Leisure	9.8%	11.1%	12.3%	9.5%	9.2%
Finance/Insurance/Securities	10.0%	10.1%	9.1%	8.7%	8.5%
Department Stores/Mail Order/Shopping Malls	7.8%	7.4%	7.4%	9.5%	7.8%
Real Estate/Housing/Household Equipment	8.2%	6.6%	6.7%	6.3%	7.3%
Medical, Welfare, Health and Beauty	5.5%	6.3%	6.1%	5.8%	5.2%
Cosmetics/Toiletries/Health Foods and Appliances	5.3%	6.4%	6.0%	5.6%	5.1%
Education/University	5.4%	5.0%	4.7%	4.4%	5.0%
Recruitment and Human Resources Services	5.0%	5.1%	5.1%	5.1%	4.5%
Fashion/Accessories	4.2%	4.6%	4.5%	5.2%	4.3%
Interior/Gardening/Renovation/DIY	3.4%	3.9%	3.6%	3.8%	3.7%
Autos and Accessories (Transport Equipment)	3.4%	2.8%	2.8%	2.8%	3.1%
Information Processing/Software/Internet Information Service	3.6%	3.8%	4.2%	3.8%	3.1%
Others	28.4%	26.9%	27.5%	29.5%	33.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Premium Advertising Revenue by Industry

Industries with large year-on-year increase

- Beverages/Cigarettes
- Home Electronics/AV Equipment
- Autos and Accessories (Transport Equipment)

Industries with large year-on-year decrease

- Mobile Communications Service
- Transportation/Leisure
- Cosmetics/Toiletries

	12/4Q	13/1Q	2Q	3Q	4Q
Autos and Accessories (Transport Equipment)	10.5%	10.1%	11.3%	10.8%	12.9%
Real Estate/Construction	11.7%	12.1%	11.9%	9.6%	11.5%
Finance/Insurance/Securities	10.8%	11.2%	10.9%	10.7%	10.7%
Transportation/Leisure	11.5%	9.0%	10.8%	10.3%	10.0%
Foodstuffs	7.1%	10.3%	8.1%	7.7%	7.4%
Cosmetics/Toiletries	7.1%	10.7%	9.0%	7.5%	6.2%
Mobile Communications Service	11.6%	3.7%	5.0%	4.6%	6.1%
Beverages/Cigarettes	3.5%	6.6%	4.0%	4.0%	5.6%
Computers and Accessories/Office Equipment	2.3%	3.0%	2.3%	5.1%	3.8%
Government/Organizations	2.3%	1.7%	3.0%	1.4%	3.0%
Home Electronics/AV Equipment	1.1%	2.6%	1.6%	3.1%	2.7%
Pharmaceuticals/Medical Supplies	1.5%	2.2%	1.8%	2.2%	2.3%
Others	19.0%	16.8%	20.3%	23.0%	17.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

* 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 FY2013 third quarter and fourth 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

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

	12/4Q	13/1Q	2Q	3Q	4Q
Finance/Insurance/Securities	29.0%	29.4%	23.0%	21.8%	20.4%
Cosmetics/Toiletries/Health Foods and Appliances	17.5%	21.1%	18.2%	17.5%	13.4%
Real Estate/Housing/Household Equipment	7.5%	6.0%	8.4%	8.0%	11.0%
Information Processing/Software/Internet Information Service	3.3%	3.9%	3.8%	4.7%	5.8%
Recruitment and Human Resources Services	4.1%	4.2%	6.1%	5.5%	5.7%
Education/University	3.7%	3.4%	5.2%	4.6%	5.6%
Medical, Welfare, Health and Beauty	4.3%	4.4%	4.5%	4.3%	4.0%
Telecommunication	1.1%	1.0%	1.4%	1.7%	4.0%
Transportation/Leisure	4.5%	4.0%	4.4%	3.4%	3.7%
Autos and Accessories (Transport Equipment)	3.6%	2.3%	2.9%	2.7%	3.2%
Wedding, Matching and Ceremonial Services	1.6%	1.9%	2.4%	2.2%	2.2%
Fashion/Accessories	1.7%	1.5%	1.6%	2.1%	2.0%
Others	18.1%	16.9%	18.1%	21.5%	19.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

* Part of advertising revenue is not categorized.

Quarterly Business Data (1)

Indicator (Quarterly average)	2012/4Q	2013/4Q
Number of total monthly page views (millions)	50,712	56,502
Number of total monthly smartphone page views (millions)(1)	11,742	20,590
Number of Daily UBs (Unique Browsers) (millions)(2)	56.27	67.34
Number of smartphone Daily UBs (millions)(1)(2)	20.10	32.16
Number of monthly active user IDs (millions)(3)	27.77	27.88
Number of Yahoo! Premium member IDs (quarter-end)(millions)	9.19	9.87

- (1) Monthly “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)

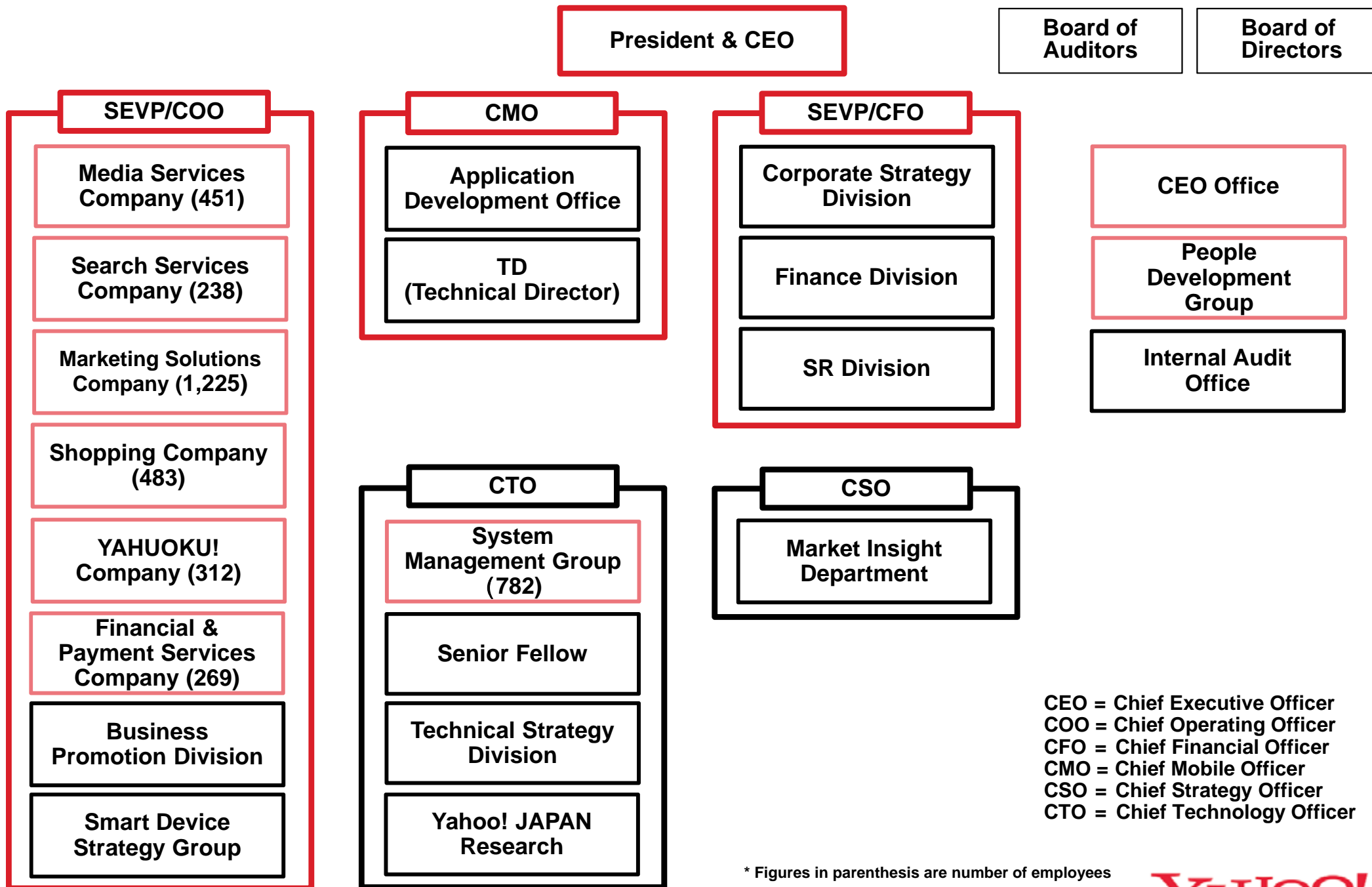
Indicator (Quarterly total)	2012/4Q	2013/4Q
Transaction value of YAHUOKU! (100 millions of yen)	1,735	1,935
Transaction value of shopping-related (100 millions of yen)	737	888
Transaction value of YAHUOKU! and shopping-related (100 millions of yen)	2,473	2,824
Transaction value of YAHUOKU! and shopping-related via smartphones (100 millions of yen)	577	888
Transaction value of e-commerce (100 millions of yen)(1)	4,000	4,579
Number of quarter-end YAHUOKU! stores (IDs)(2)	16,119	17,955
Number of quarter-end Yahoo! Shopping stores (IDs)(2)	20,537	78,307

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

(2) Numbers of YAHUOKU! 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 April 1, 2014



CEO = Chief Executive Officer
 COO = Chief Operating Officer
 CFO = Chief Financial Officer
 CMO = Chief Mobile Officer
 CSO = Chief Strategy Officer
 CTO = Chief Technology Officer

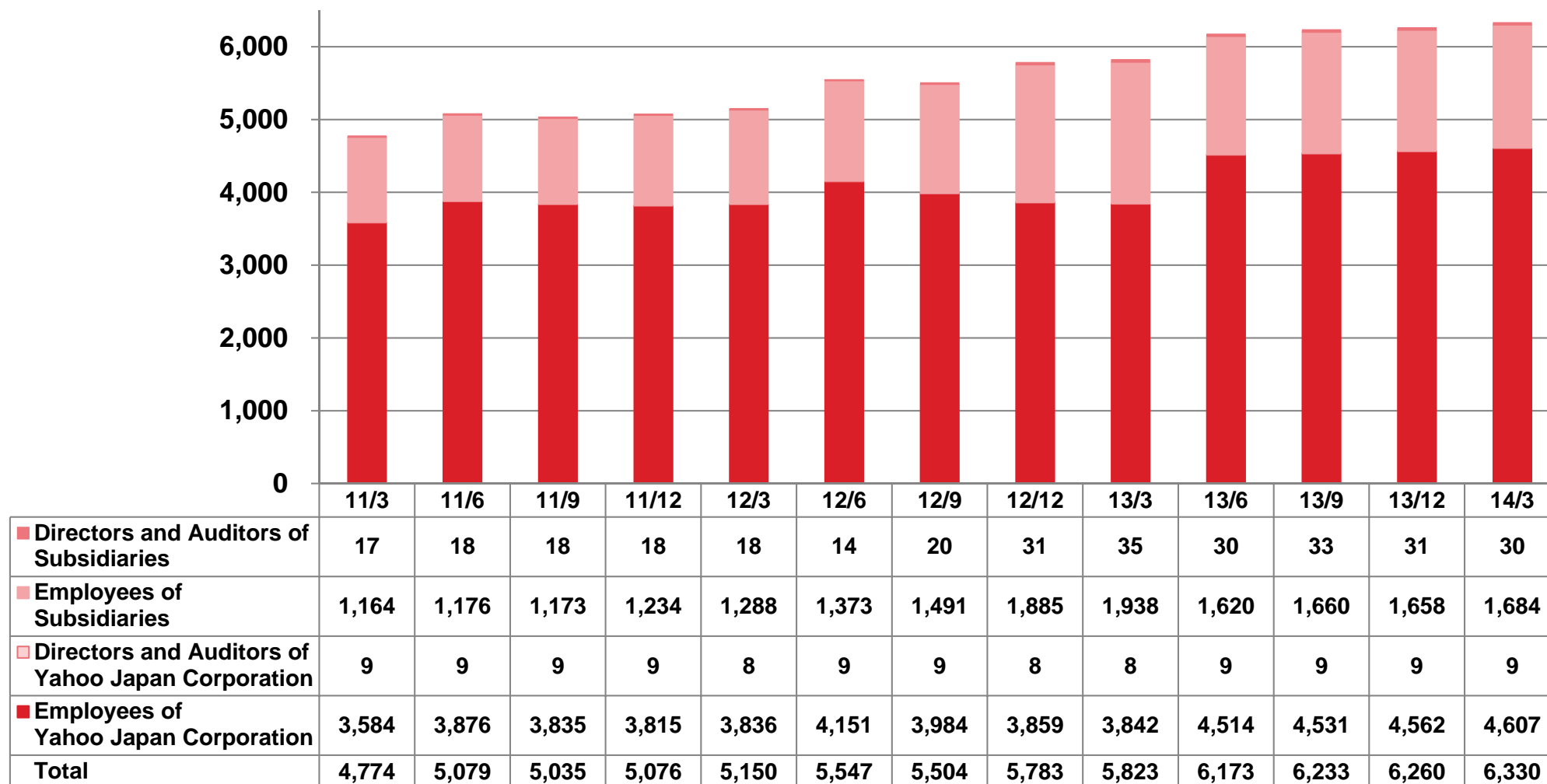
* Figures in parenthesis are number of employees



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

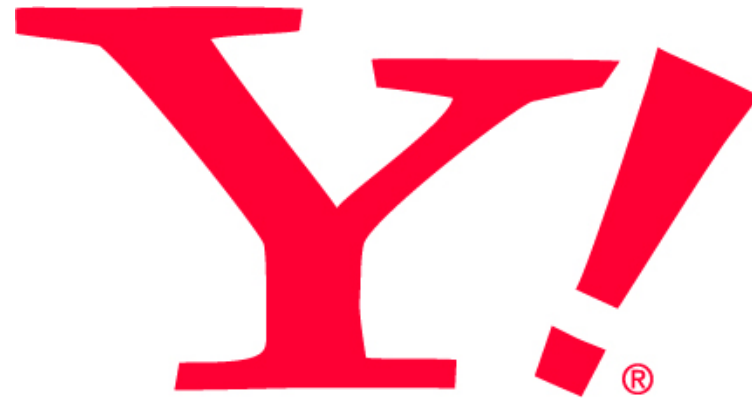
(as of March 31, 2014)

•Major consolidated subsidiaries at the end of FY2013-4Q

- ◆ Carview Corporation
- ◆ Crocos, Inc.
- ◆ GyaO CORPORATION
- ◆ Indival, Inc.
- ◆ Ocenyc Inc.
- ◆ ValueCommerce Co., Ltd.
- ◆ YJ Capital Inc.
- ◆ Y's Insurance Inc.
- ◆ Community Factory Inc.
- ◆ Firstserver, Inc
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd
- ◆ Qubital Data Science Co., Ltd. **NEW!**
- ◆ Yahoo Japan Customer Relations Corporation
- ◆ YJFX, Inc.
- ◆ Y's Sports Inc.

•Major companies accounted for by the equity method at the end of FY2013-4Q

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



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