



Yahoo Japan Corporation
FY2014 Full Year & 4Q Business Results
(Apr. 2014-Mar. 2015/Jan.-Mar. 2015)

May 1, 2015

Table of Contents

P. 4	FY2014 Full Year Financial Highlights
P. 15	FY2014-4Q Financial Highlights
P. 18	Management Policy
P. 28	Key Performance Indicators
P. 34	Core Businesses (Advertising/Auctions/Membership Services)
P. 44	Investment-Stage Businesses (Shopping/Credit Card)
P. 61	Business Results Supplemental Information

Yahoo Japan Corporation adopted International Financial Reporting Standards (IFRSs) beginning with the first quarter of the fiscal year ended March 31, 2015 (FY2014) with a transition date as of April 1, 2013.
Figures for the fiscal year ended March 31, 2014 (FY2013) are restated on an IFRS basis.
Unless otherwise specified, English-language documents are prepared solely for the convenience of readers outside Japan.
If there is any inconsistency between the English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.

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, 2015.”

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

FY2014 Full Year Financial Highlights

Executive Summary for FY2014

Revenue	4,284 (¥100M)	YoY +4.9%	
Operating income	1,972 (¥100M)	YoY +0.4%	
Net income attributable to owners of the parent	1,330 (¥100M)	YoY +3.5%	
Diluted EPS	¥23.37	YoY +4.2%	
FY2014 year-end cash dividends forecast (Per share)	¥8.86	Doubled YoY	
Advertising-related revenue	2,498 (¥100M)	YoY +7.4%	Via smartphones 33.4%
Paid search advertising	1,520 (¥100M)	YoY +0.8%	
Display advertising	977 (¥100M)	YoY +19.6%	
Total domestic e-Commerce transaction value	1.19 (¥Trillion)	YoY +7.6%	Via smartphones 34.0%

Executive Summary for FY2014

Advertising-related Business

- “Yahoo! Display Ad Network”(YDN) and others maintained favorable growth (YoY +65.8%) thanks to functional improvements of the advertising distribution system.
- Revenue increased from “Yahoo! Premium DSP” which achieved higher matching accuracy in audience targeting.

e-Commerce related Business

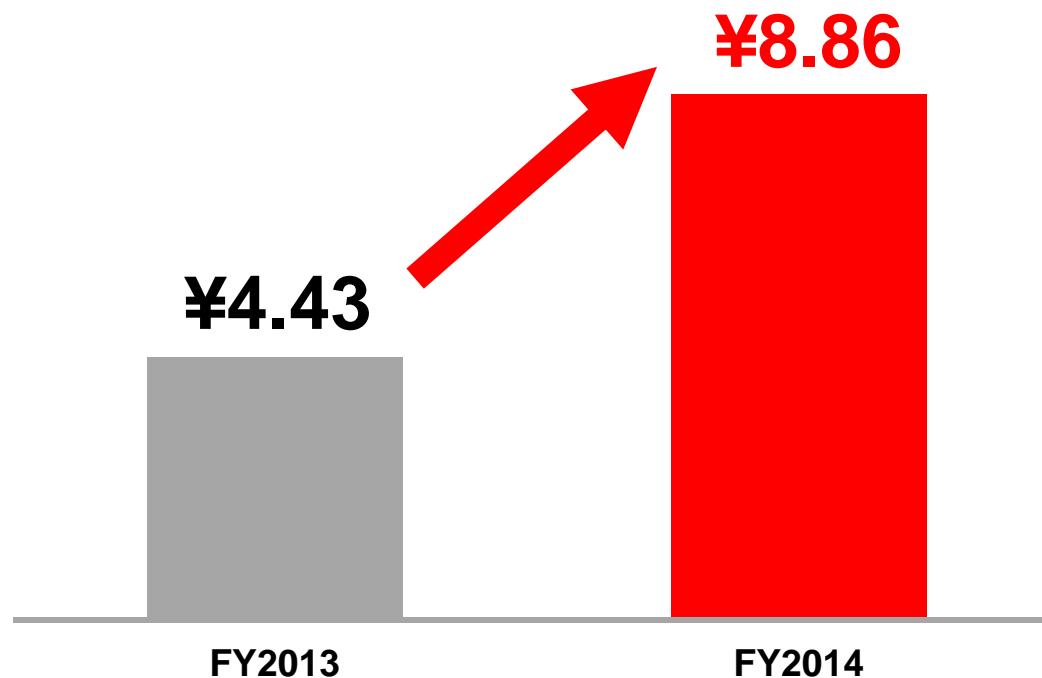
- Total domestic e-commerce transaction value amounted to ¥1.19 trillion, up +7.6% year on year.
- Shopping: conversion rate of buyers to visitors and number of buyers improved.
- Auction-related: transaction value increased by 8.6% year-on-year.

Shareholder return and growth investment

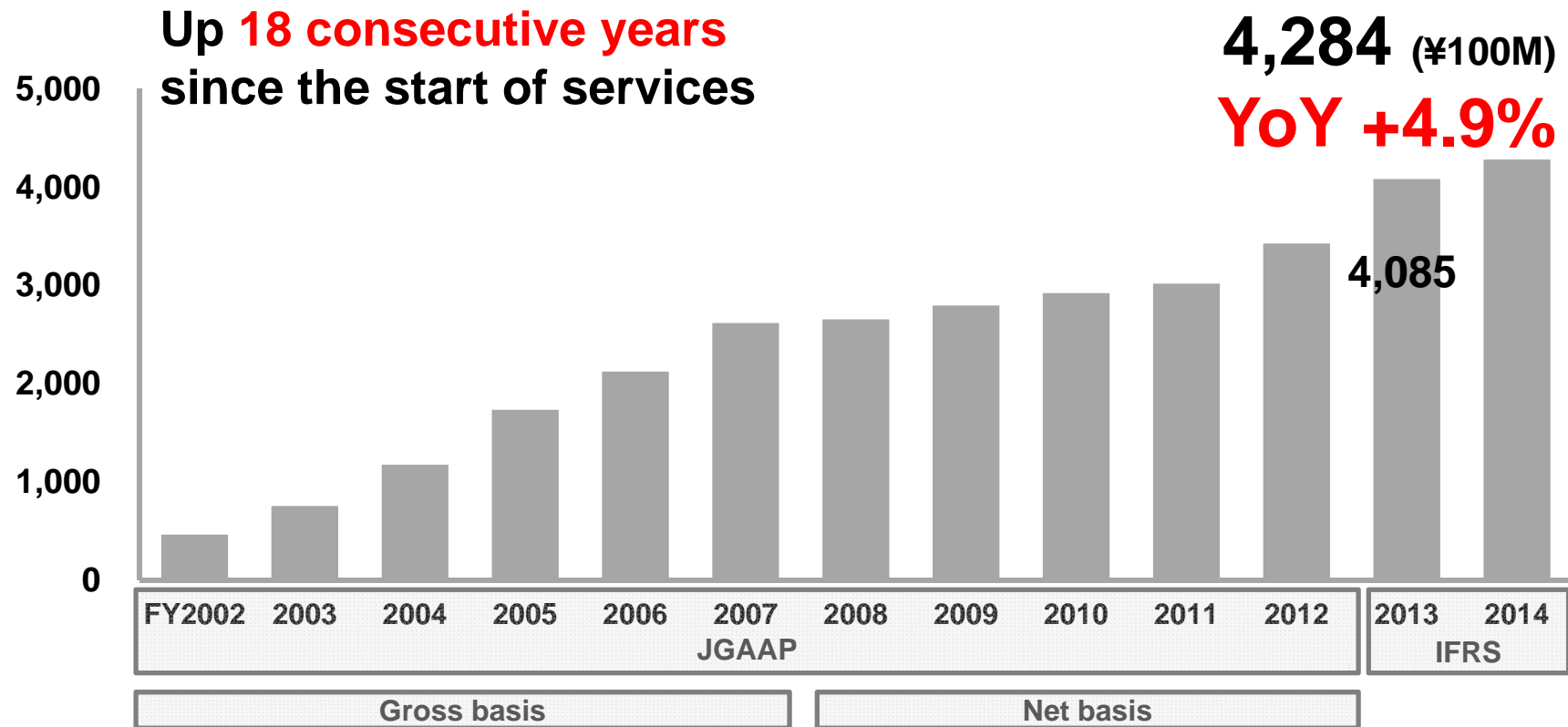
- Announced a year-end dividend payout forecast to pay ¥8.86 per share for consecutive years.
- Aiming to achieve sustainable growth over the mid-long term, the Company requires a proactive stance toward M&A, capital and business alliances and big data-related investments.

Cash Dividends Forecast

Cash dividends per share is expected to double compared to the previous fiscal year, with the intension of rewarding shareholders by profit growth and shareholder return.

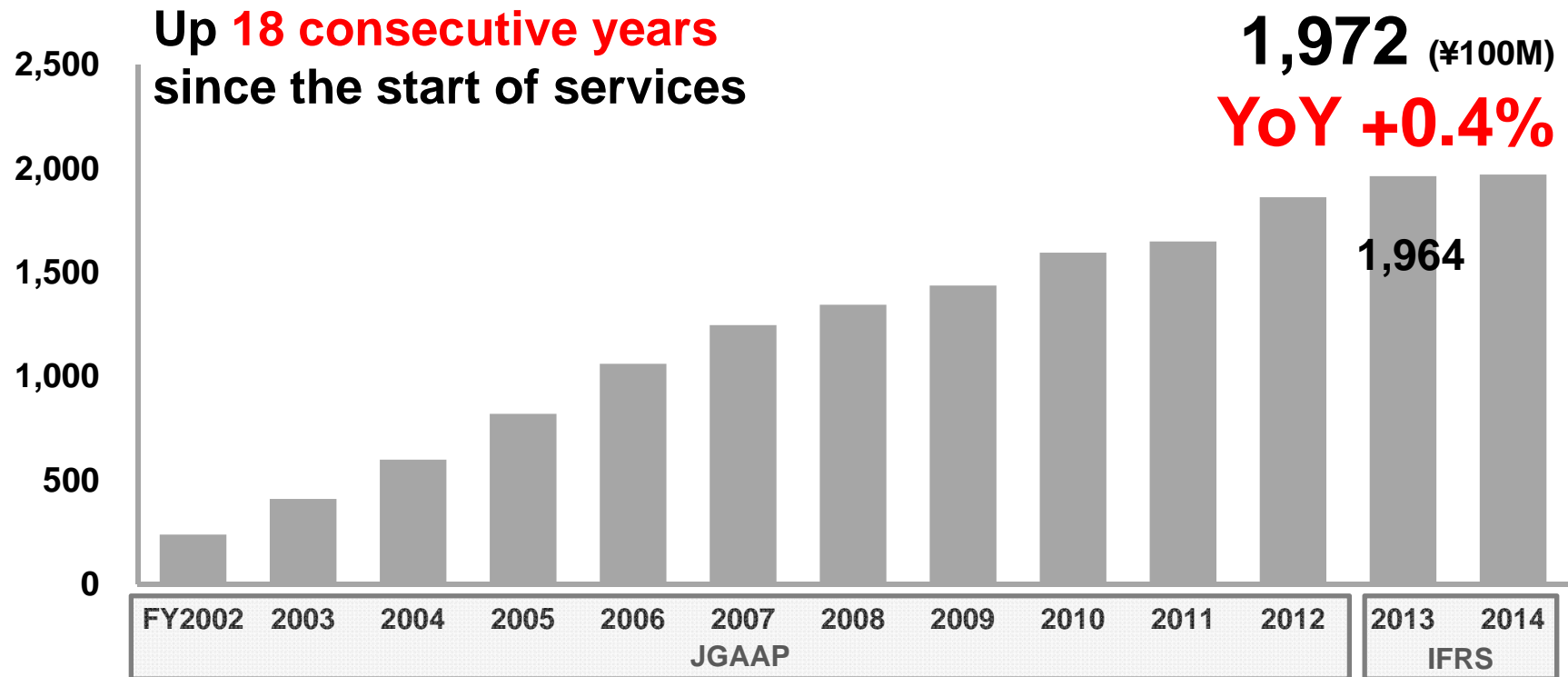


Full Year Revenue

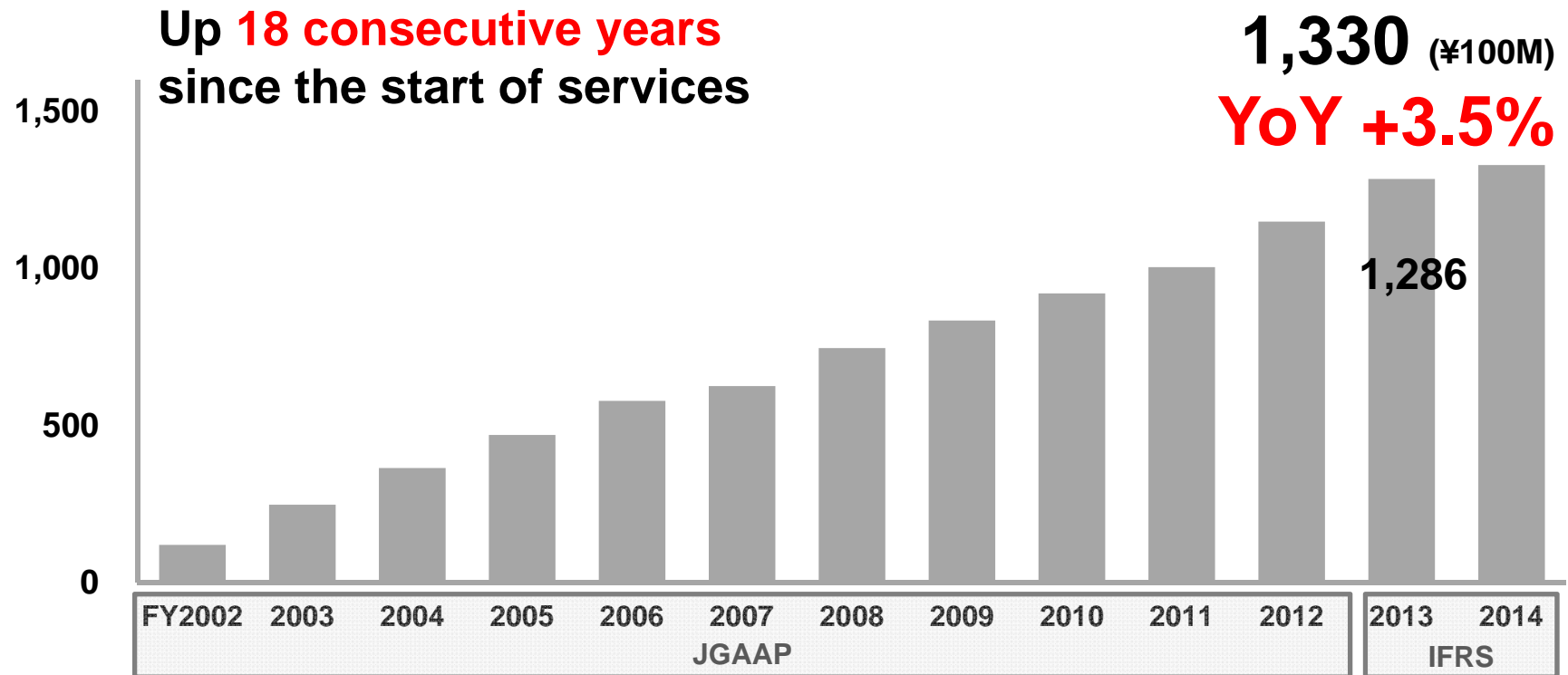


* Between FY2008 and FY2012, we indicated revenue on a net rather than gross basis, by eliminating certain items in cost of sales and SG&A.

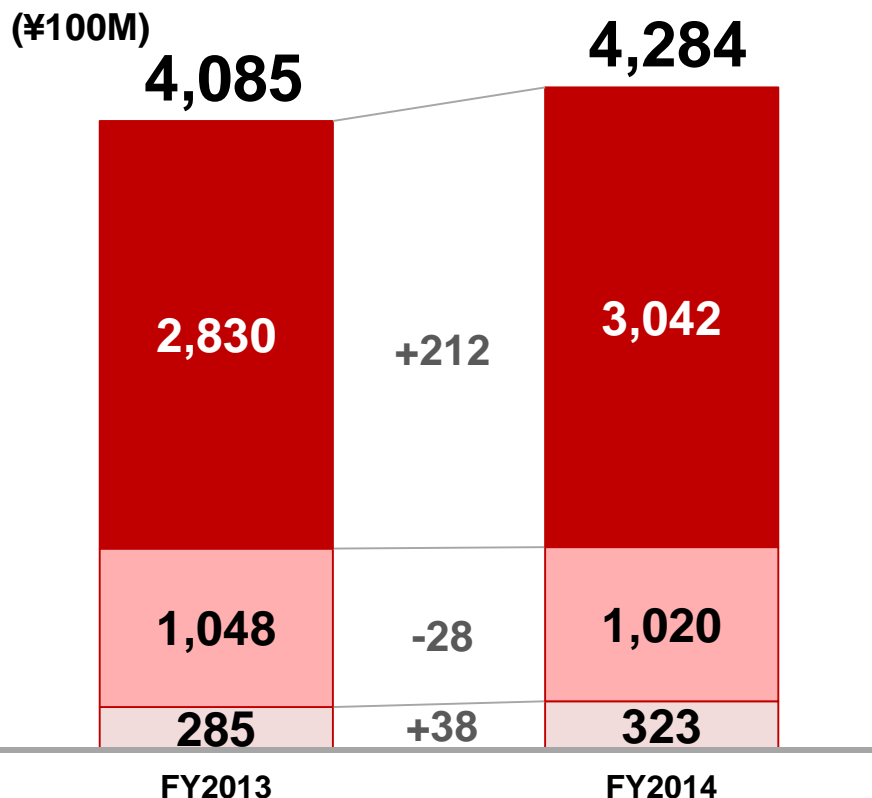
Full Year Operating Income



Net Income Attributable to the Owners of the Parent



Full Year Revenue Breakdown



Marketing Solutions Business

YoY +7.5%
Advertising revenue grew.

Consumer Business

YoY -2.7%
Negatively affected by new e-commerce strategy and special demand before the consumption tax hike in 2014.

Other Businesses

YoY +13.4%
Consolidation of YJ Card Corporation and revenue growth in FX-related business

* Figures for Adjustments are not shown.

* In cases where major services have been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

Our Primary Revenue Sources

Core businesses

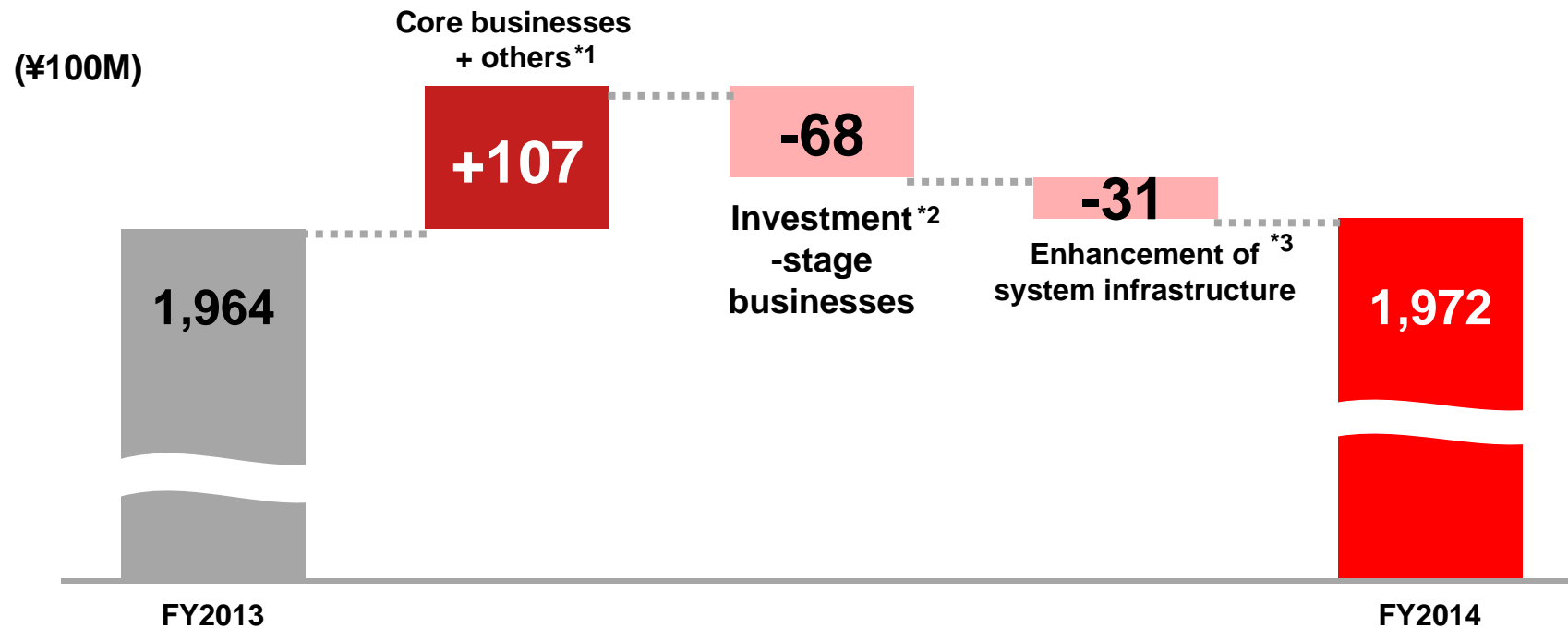
Advertising
Auctions
Membership services

Investment-stage businesses

Shopping
Credit card

Factors for YoY Change in Full Year Operating Income

Proceeded with upfront investments for future growth



*1 Excludes operating income/loss of Yahoo! Shopping, Yahoo! Restaurant Reservation, Yahoo! Travel, and YJ Card Corporation.

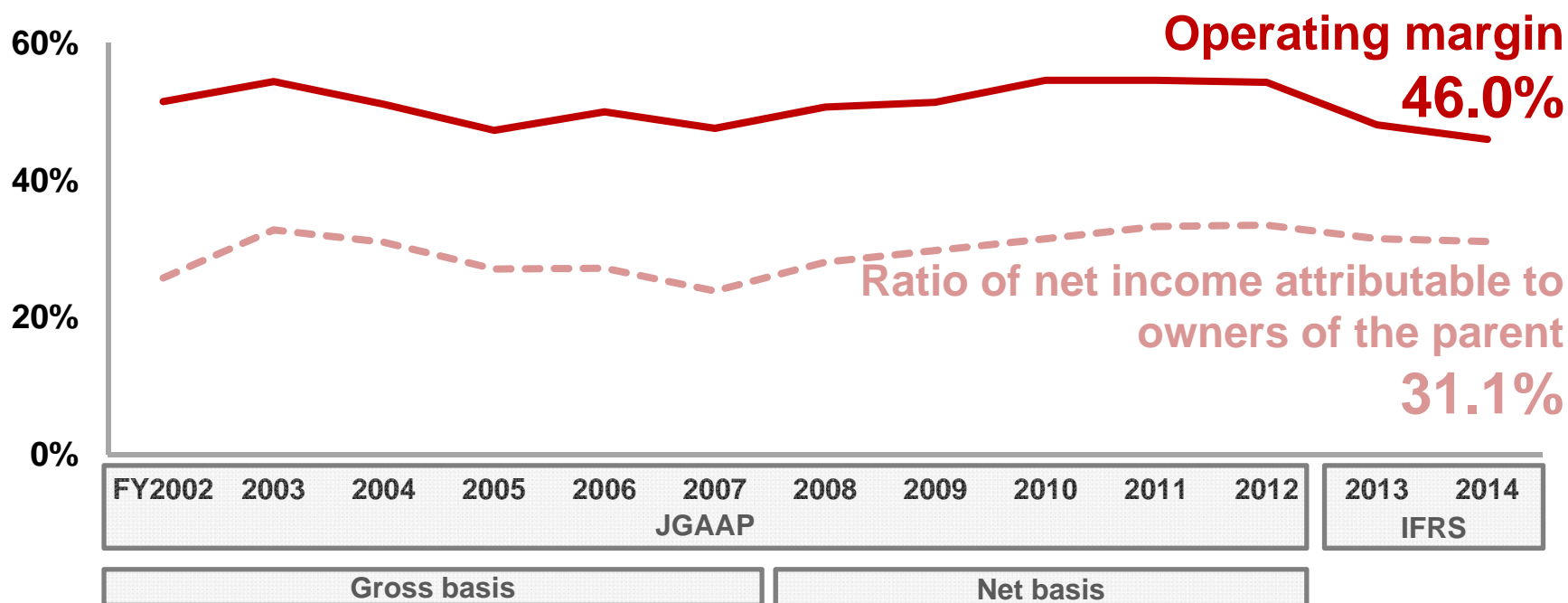
*2 Includes operating income/loss of Yahoo! Shopping, Yahoo! Restaurant Reservation, Yahoo! Travel, and YJ Card Corporation.

*3 YoY changes of depreciation and amortization costs included in SG&A.

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Full Year Margin

Margins are negatively influenced by consolidation of subsidiaries and by adoption of IFRSs, although the profitability of existing businesses is maintained.



* Margins for FY2008 to FY2012 are affected by the change in the presentation basis for revenue from gross to net.
 * Figures after FY2013 are restated on an IFRS basis. Margins are affected by the adoption of IFRSs.

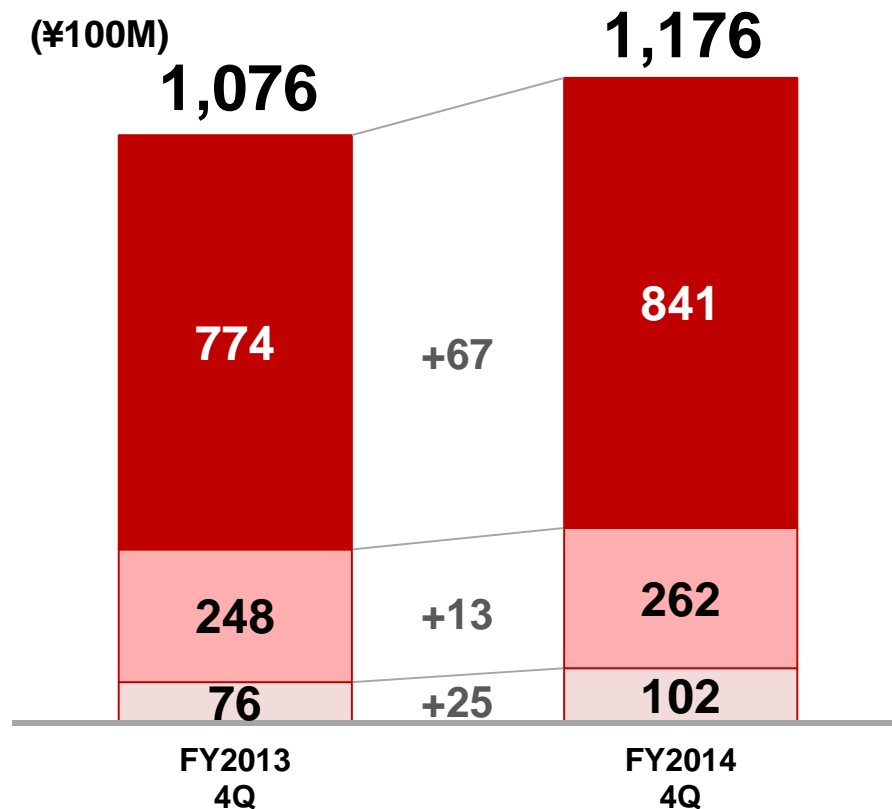
FY2014-4Q

Financial Highlights

Executive Summary for 2014-4Q

Revenue	1,176 (¥100M)	YoY +9.3%	
Operating income	524 (¥100M)	YoY +9.8%	
Net income attributable to owners of the parent	329 (¥100M)	YoY +3.3%	
Diluted EPS	¥5.79	YoY +3.4%	
Advertising-related revenue	693 (¥100M)	YoY +8.4%	Via smartphones 35.9%
Paid search advertising	397 (¥100M)	YoY +0.6%	
Display advertising	296 (¥100M)	YoY +21.0%	
Total domestic e-Commerce transaction value	3,051 (¥100M)	YoY +3.2%	Via smartphones 36.3%

Quarterly Revenue Breakdown



Marketing Solutions Business

YoY +8.7%
Display advertising revenue grew.

Consumer Business

YoY +5.4%
Auctions-related revenue increased.

Other Businesses

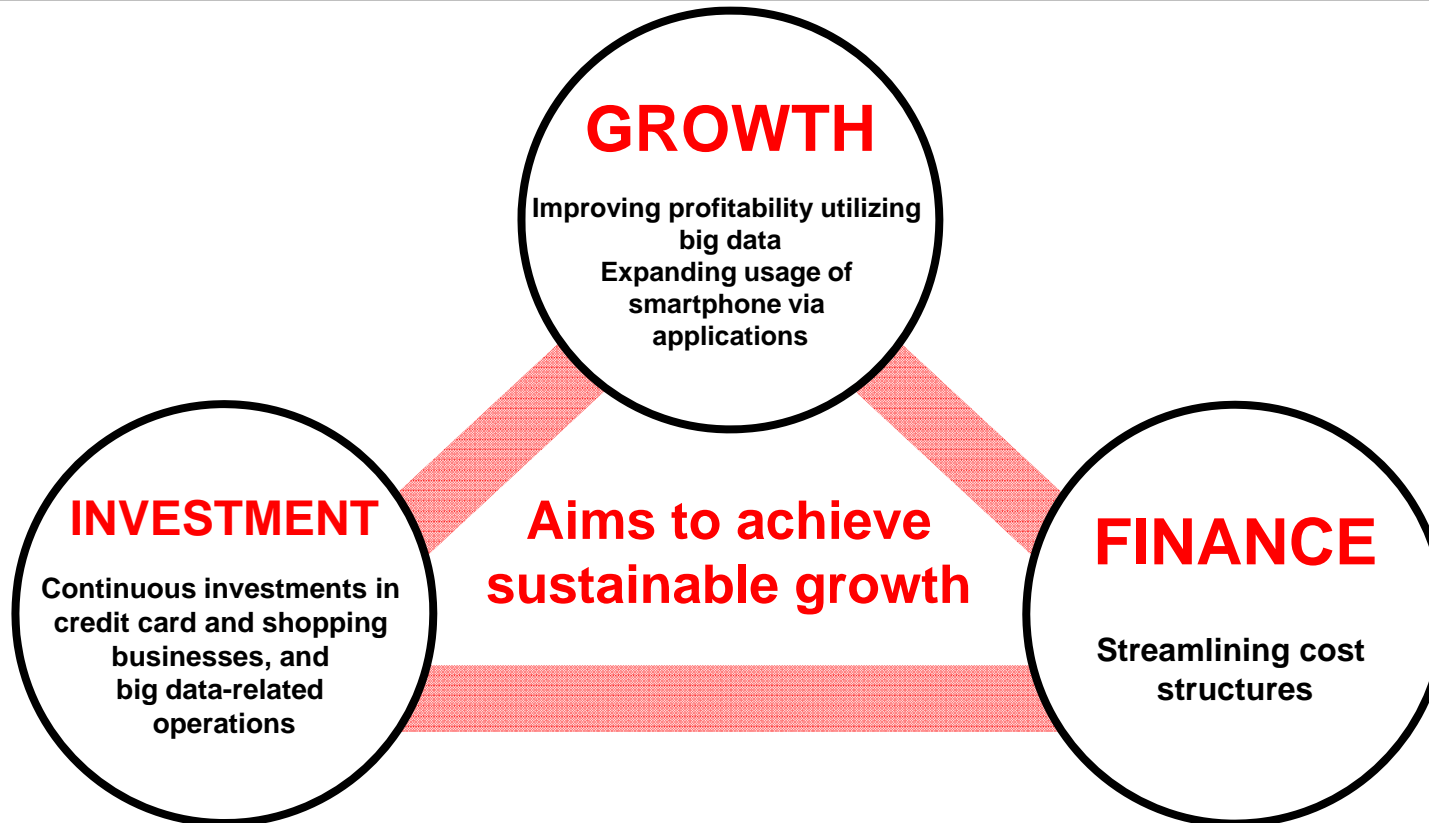
YoY +33.6%
Consolidation of YJ Card Corporation

* Figures for Adjustments are not shown.

* In cases where major services have been transferred between segments, the prior data and comparative figures have been retroactively adjusted to the current segments.

Management Policy

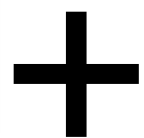
Management Policy to be Implemented from FY2015 Onward



Growth Measures - Our Business Pillars

**Aim to achieve sustainable
growth based on
3 pillars of our businesses**

Advertising



e-Commerce



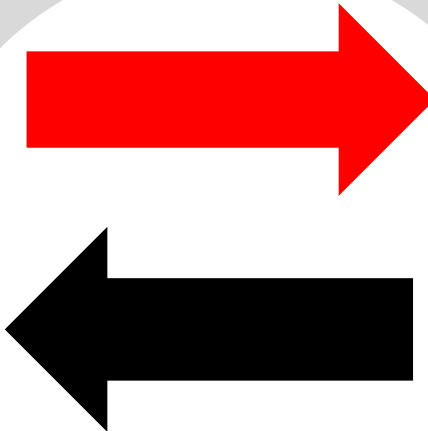
**Settlement
and Finance**

Growth Measures - Our Uniqueness and Competences

- Higher targeting accuracy
- More enhanced personalization



Enhancing quality
and quantity of data



Advertising

- Unit price increase
- Improving click through rate

e-Commerce

Improving conversion rate

Settlement and Finance

Efficient acquisition of
new card members

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Past and Coming Three Years

The past 3 years
from FY2012 to FY2014

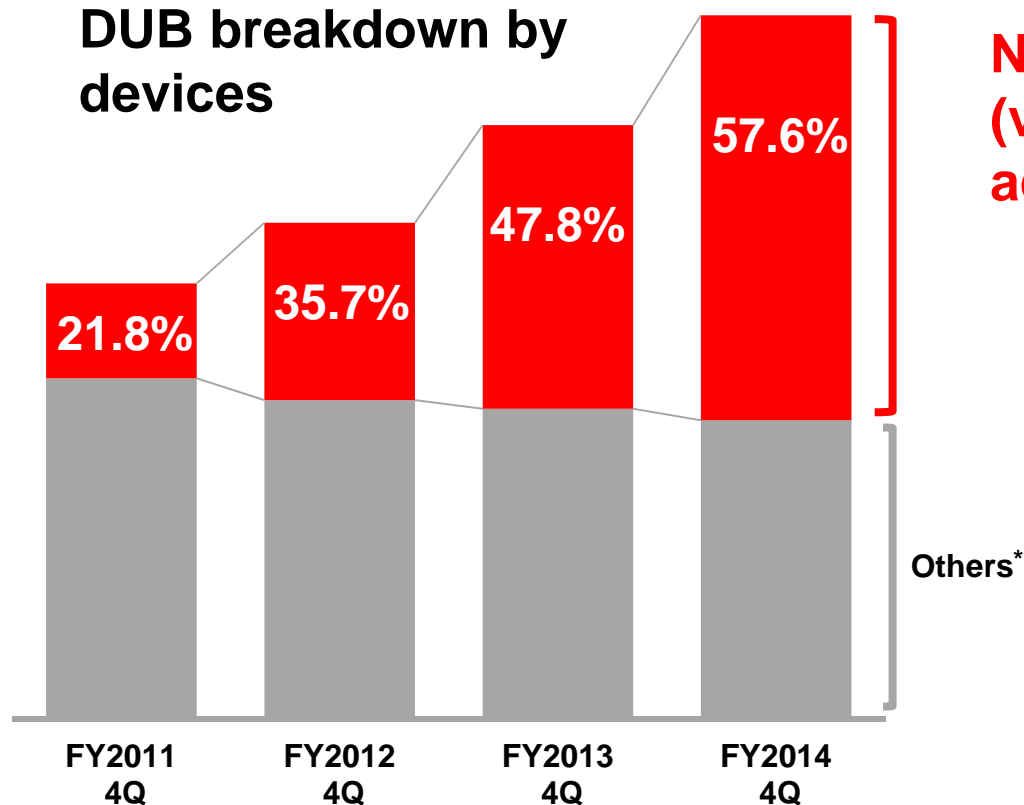
Expanded usage of
smartphone

The coming 3 years
from FY2015 onward

Expanding usage of
smartphone via
applications

Growth Measures - Usage Transition to Smartphone Applications

DUB breakdown by devices



Number of smartphone DUBs (via applications and browsers) accounts for nearly 60%.

Smartphone usage has grown favorably in the last 3 years.

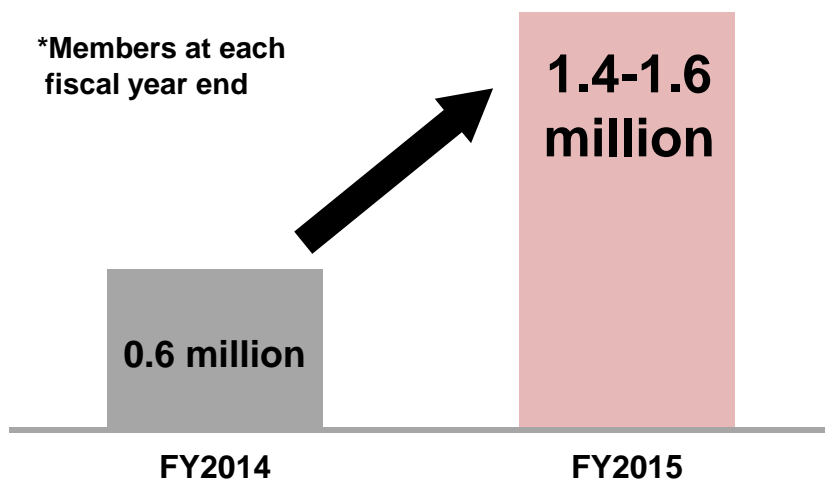


We aim to expand smartphone usage through applications.

Upfront Investment in Credit Card and Shopping

Credit Card Business

Plan to allocate ¥4 billion in marketing expenses to expand card members number to 1.4 million - 1.6 million by the end of FY2015.



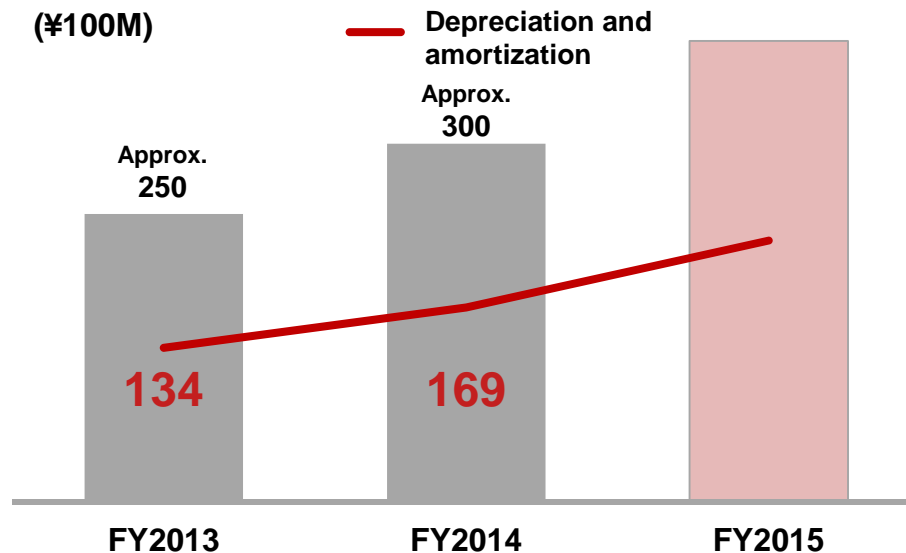
Shopping Business

A promotional campaign targeting Yahoo! Premium members in March 2015 went well and will be continued from April onward.

Investment in Big Data-related Operations

Continue investing in technology and infrastructure, with the intention of enhancing profitability utilizing big data.

Capital expenditures^{*1} / Depreciation and amortization^{*2}



CAPEX expected to rise approx. 30% year on year.

25

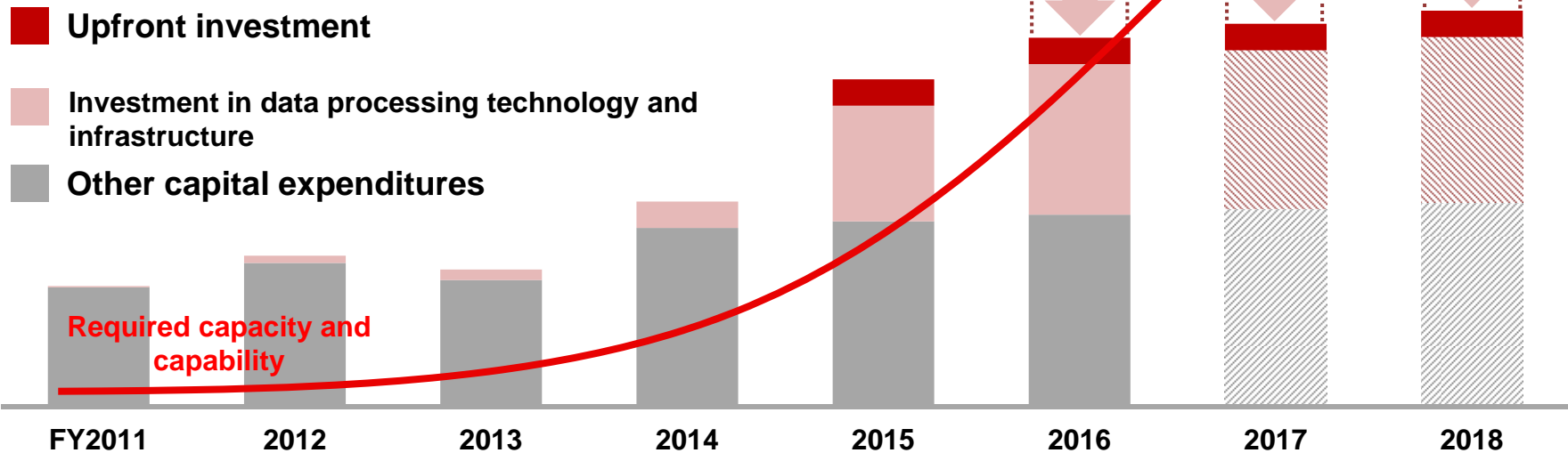
*1 Capitalized expenses such as personnel expenses included.

*2 Total amount of depreciation and amortization included in SG&A and cost of sales.

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Investment in Big Data-related Operations

- Required data processing capacity and capability is expected to rise at an accelerating speed.
- Upfront investment for infrastructure technology development is necessary in order to control future expense growth.

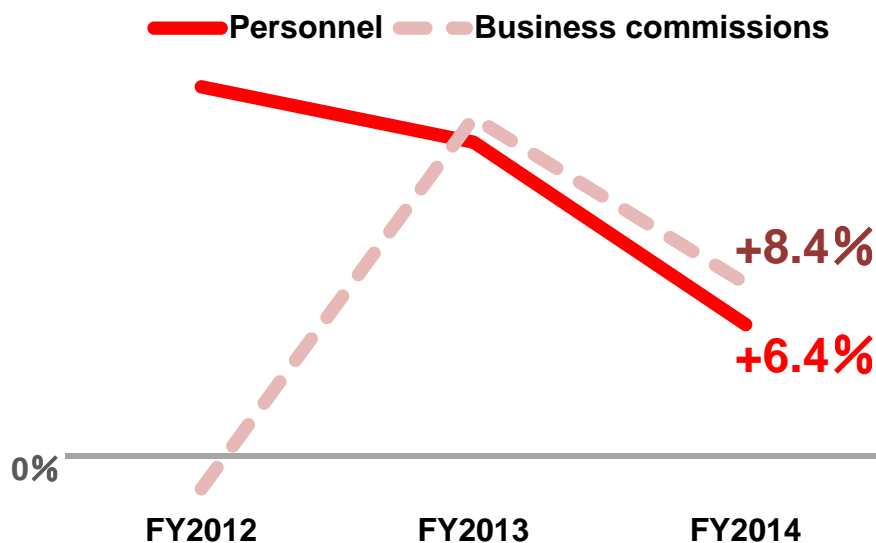


*Image chart

Financial Measures – Reviewing Cost Structures

Streamlining costs by maximizing productivity of each employee, together with proceeding with necessary investment.

Personnel expenses and Business commissions - YoY Changes



Year-on-year changes in personnel expenses and business commissions lowered compared with the previous year.

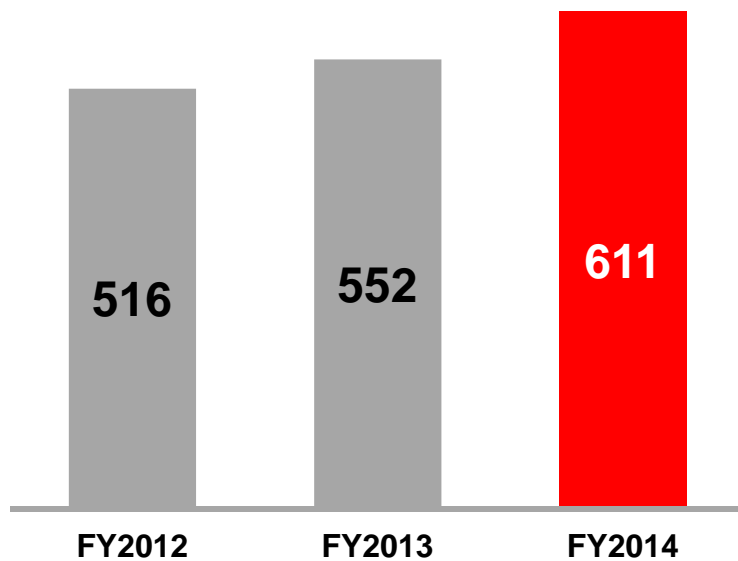
Key Performance Indicators

Page Views

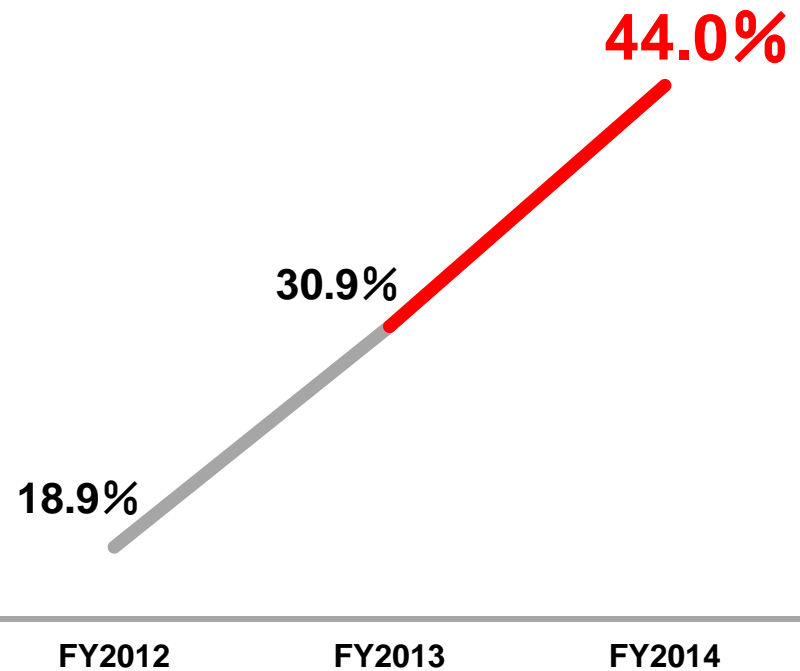
Number of total monthly page views
(yearly average)

(100 million)

YoY +10.7%



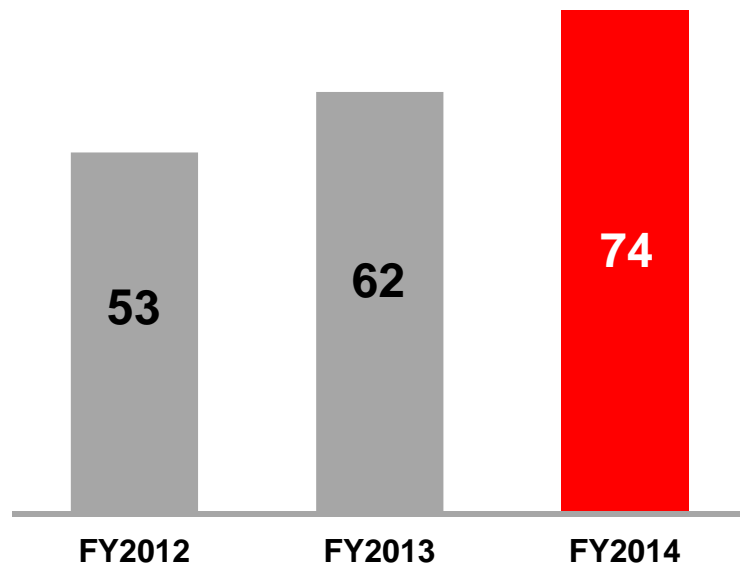
Via smartphones



DUB (Daily Unique Browsers)

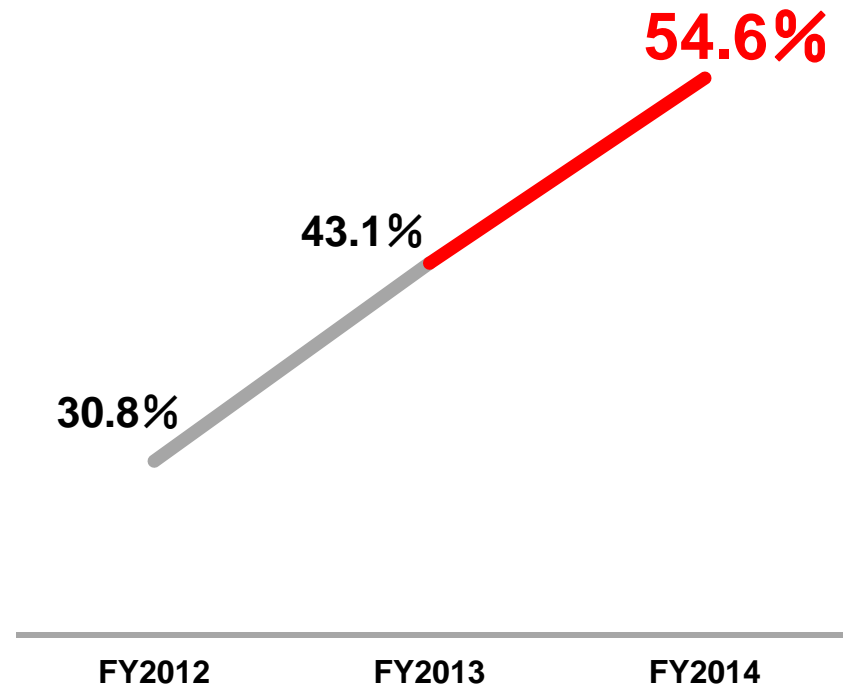
Number of DUBs (yearly average)

(million)



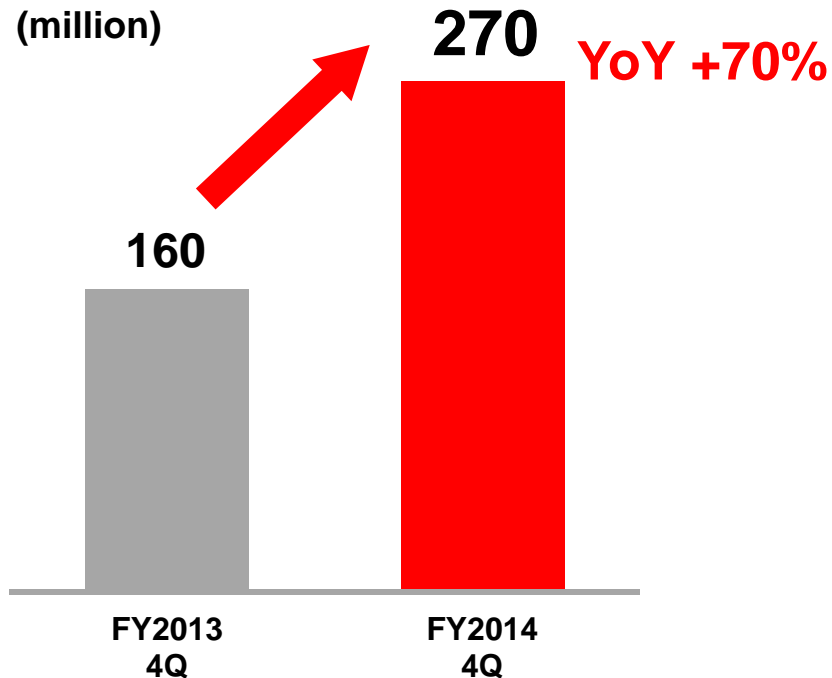
YoY +19.2%

Via smartphones



Applications

Number of cumulative downloads^{*1}



Ranked as **No.1** among domestic application publishers in Japan, for the number of downloads.^{*2}

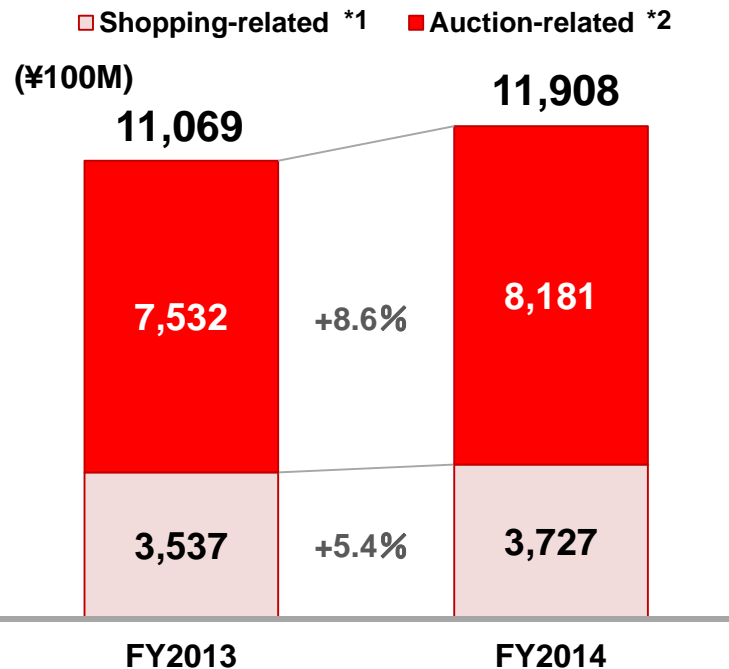
(Excluding game applications)

^{*1} Cumulative numbers of downloads of iOS and Android applications published by Yahoo! JAPAN and Community Factory Inc. (absorbed in January 2015)

^{*2} Source: App Annie Index: 2014 Retrospective, The Top App Trends of 2014

Annual Total Domestic e-Commerce Transaction Value

Shopping + Auctions

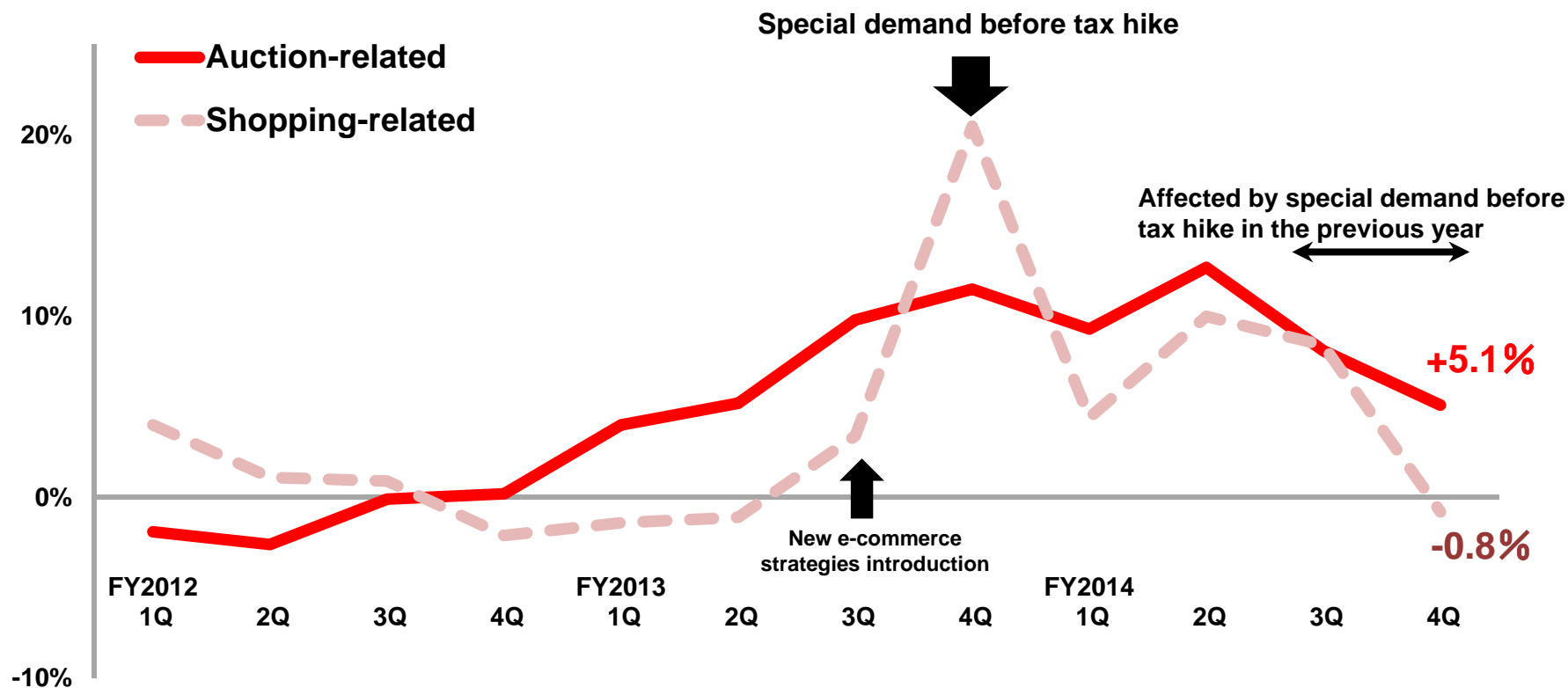


**Increased by
7.6% year on year.**

*1 Includes transaction values of "Yahoo! Shopping", "Yahoo! Travel", paid digital content, "LOHACO", "Yahoo! Restaurant Reservation" and others.

*2 Includes transaction values of "YAHUOKU!" and "tradecarview" (<http://www.tradecarview.com/>). It also includes "ClooShe" (application for smartphones) transaction value from April 2014, and "BOOKOFF Online" (<http://www.bookoffonline.co.jp>) transaction value from May 2014.

Quarterly Domestic e-Commerce Transaction Value YoY Growth Trend



Core Businesses

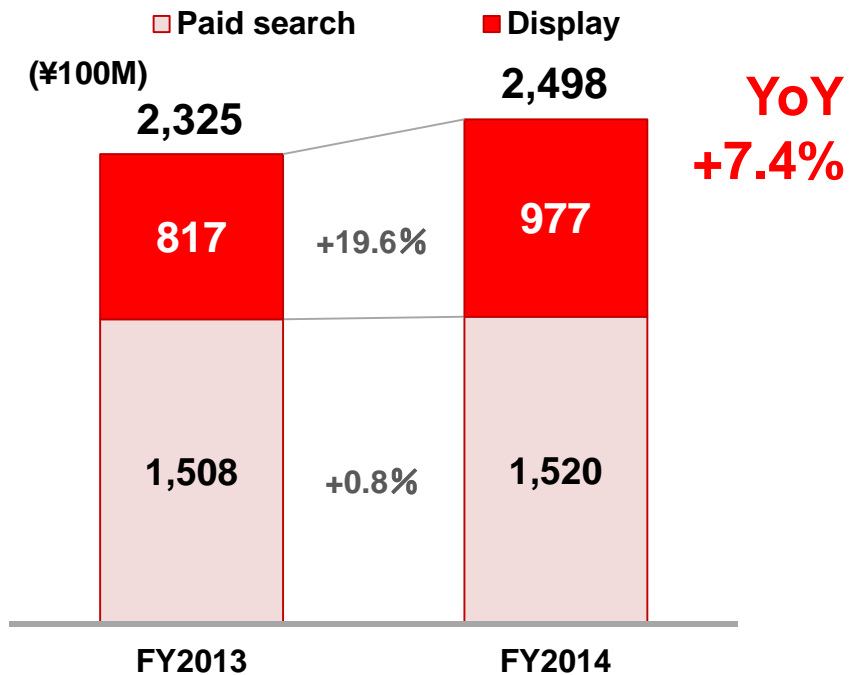
Advertising

Auctions

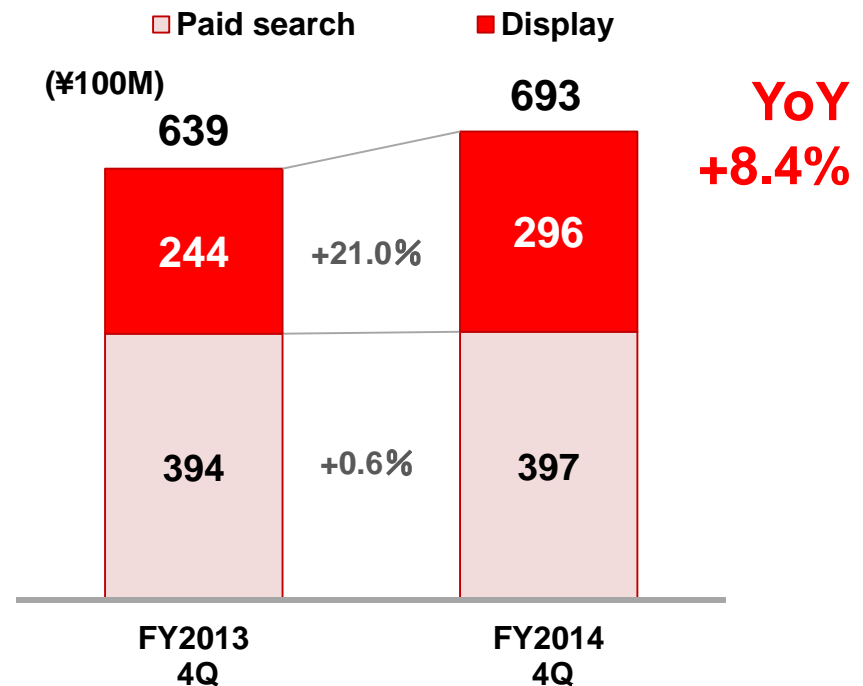
Membership Services

Advertising-related Revenue

Annual



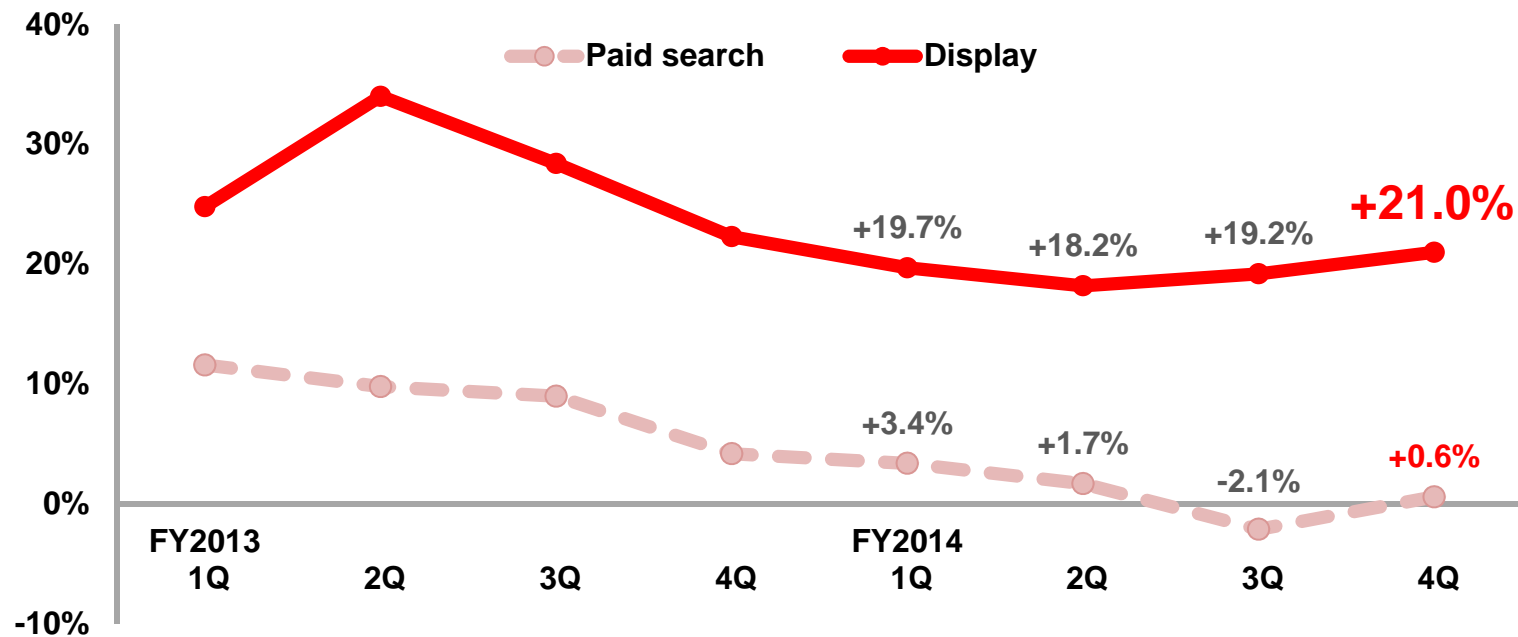
Quarterly



35 * The Company adopted IFRSs beginning with FY2014. Figures for the FY2013 are restated on an IFRS basis.

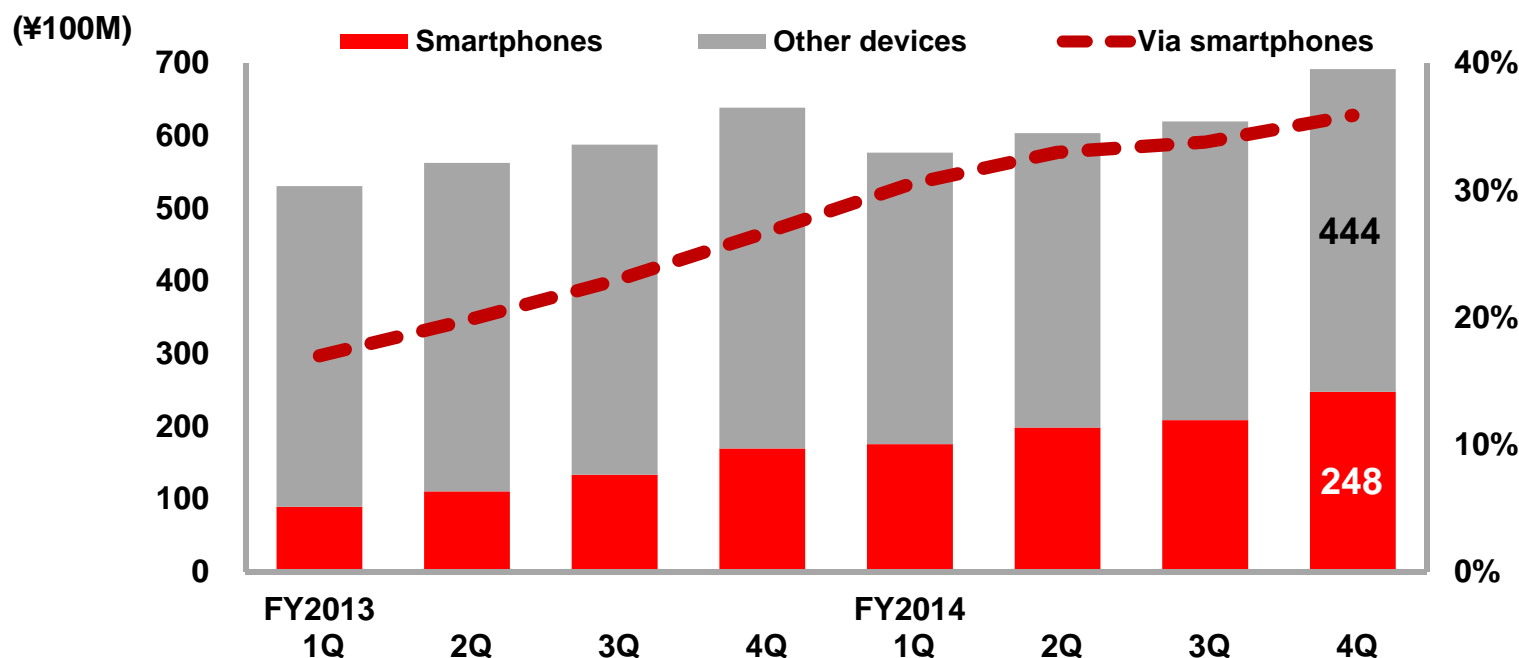
Quarterly Advertising-related Revenue YoY Growth Trend

- Recovery trend seen in display advertising growth.
- Expecting revenue increase with new products utilizing big data, etc.



Quarterly Advertising-related Revenue via Smartphones

- Smartphone advertising revenue ratio expanded to 35.9%.
- Smartphone advertising revenue: ¥24.8 billion (YoY +46.0%)



* The Company adopted IFRSs beginning with FY2014. Figures for the FY2013 are restated on an IFRS basis.

* Smartphone figures have been retroactively adjusted according to more precise product classifications.

* Smartphone advertising revenue includes some revenue via tablet devices.

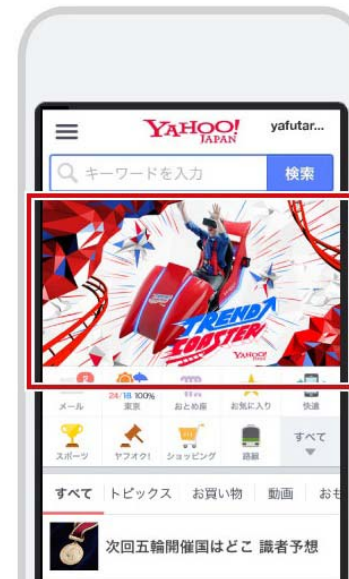
Yahoo! JAPAN Startup Page in Timeline View

Timeline view of Yahoo! JAPAN startup page for smartphones launched

Infeed advertising expected to be highly profitable because of favorable profitability indicators of advertising.



Infeed advertising reaches targeted audience effectively.



Video advertising for smartphone* is expected to promote brand awareness through smartphones.
(*Yet to be released as of May 1, 2015)

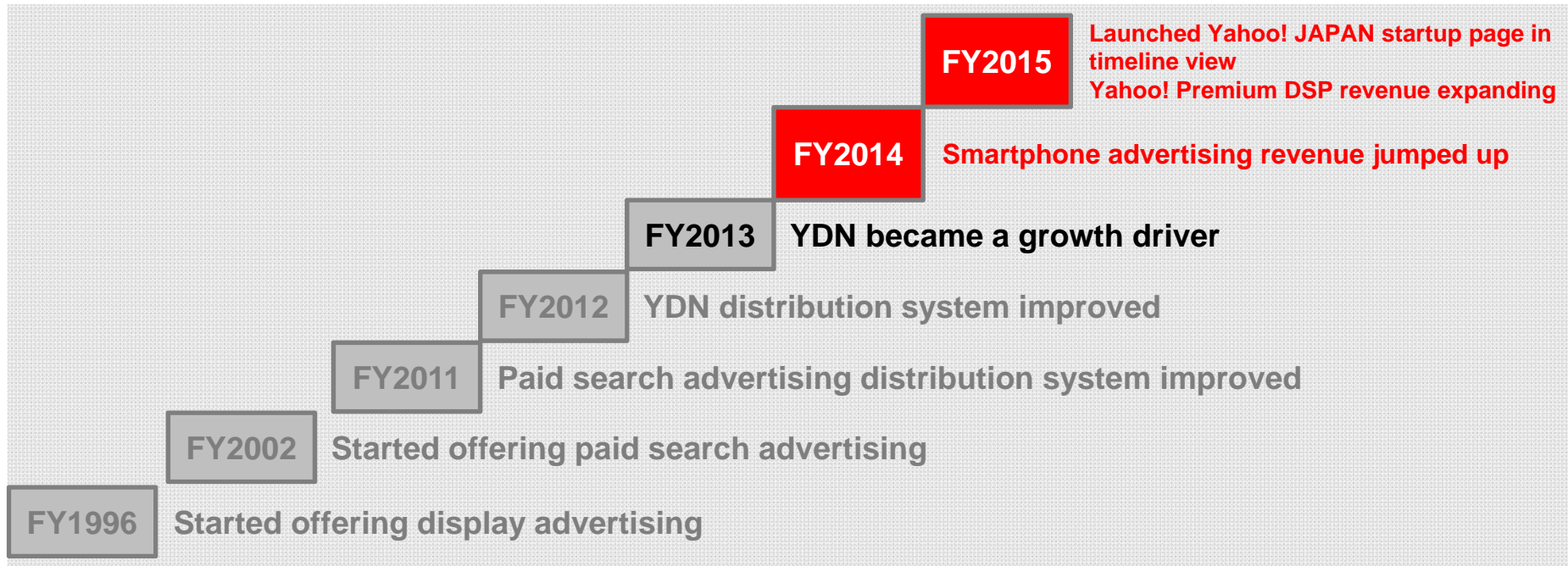
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JAPAN

History of Yahoo! JAPAN's Advertising Business

Have been offering new advertising products continuously

Structural change

Changes in device mix and product mix



Core Businesses

Advertising

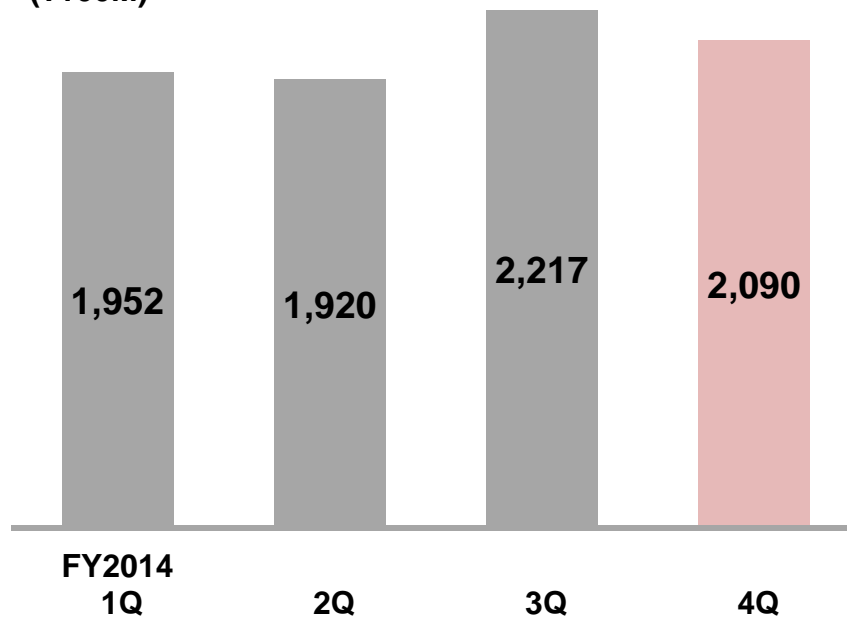
Auctions

Membership Services

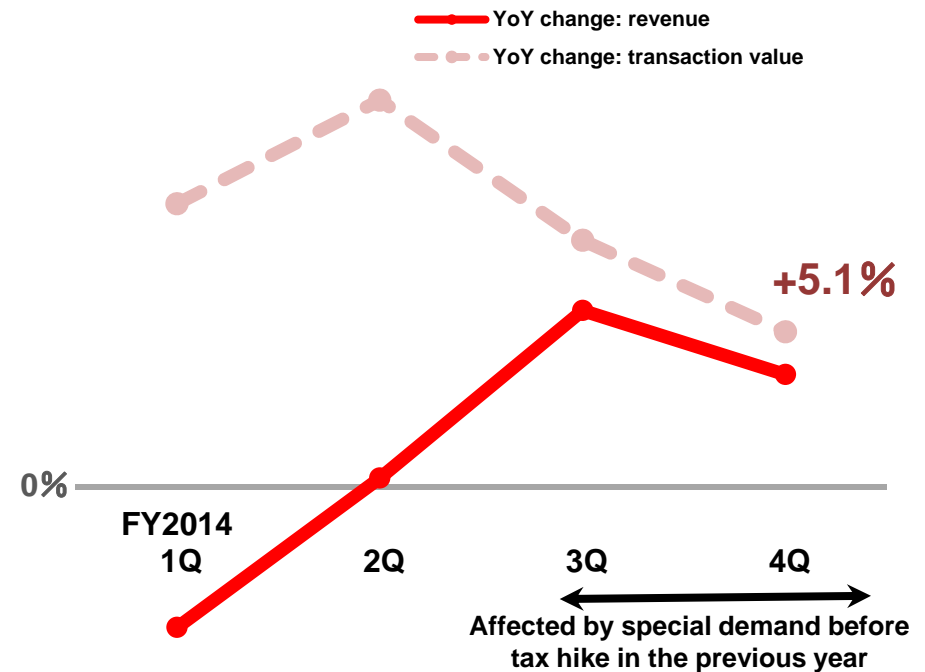
Auction-related Transaction Value and Revenue

Quarterly transaction value

(¥100M)



YoY Changes in transaction value and revenue



* Includes transaction values of "YAHUOKU!" and "tradecarview" (<http://www.tradecarview.com/>). It also includes "ClooShe" (application for smartphones) transaction value from April 2014, and "BOOKOFF Online" (<http://www.bookoffonline.co.jp>) transaction value from May 2014.
 * 2014-3Q revenue has been adjusted according to change in settlement period for users.



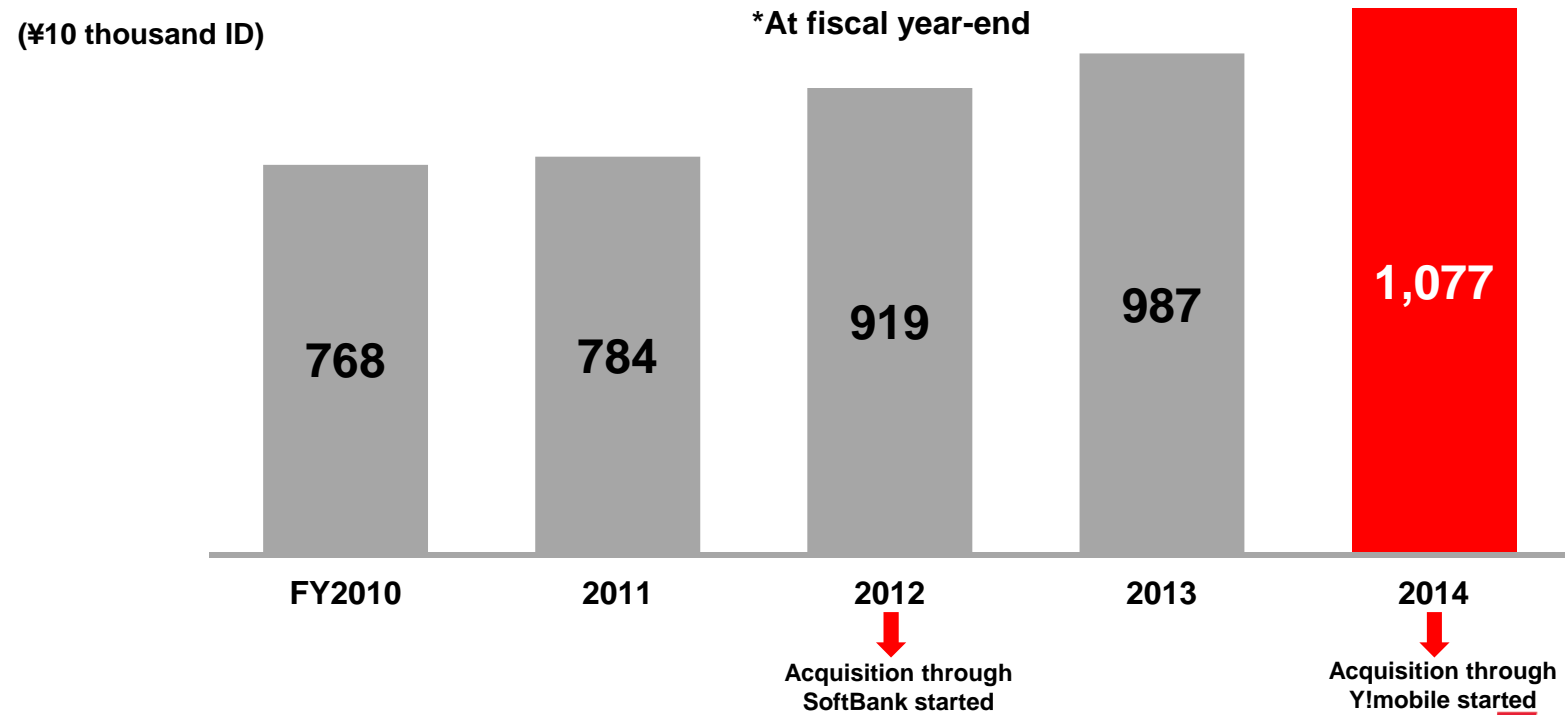
Core Businesses

Advertising
Auctions

Membership Services

Yahoo! Premium Membership IDs

Subscribers increasing through multiple acquisition channels.

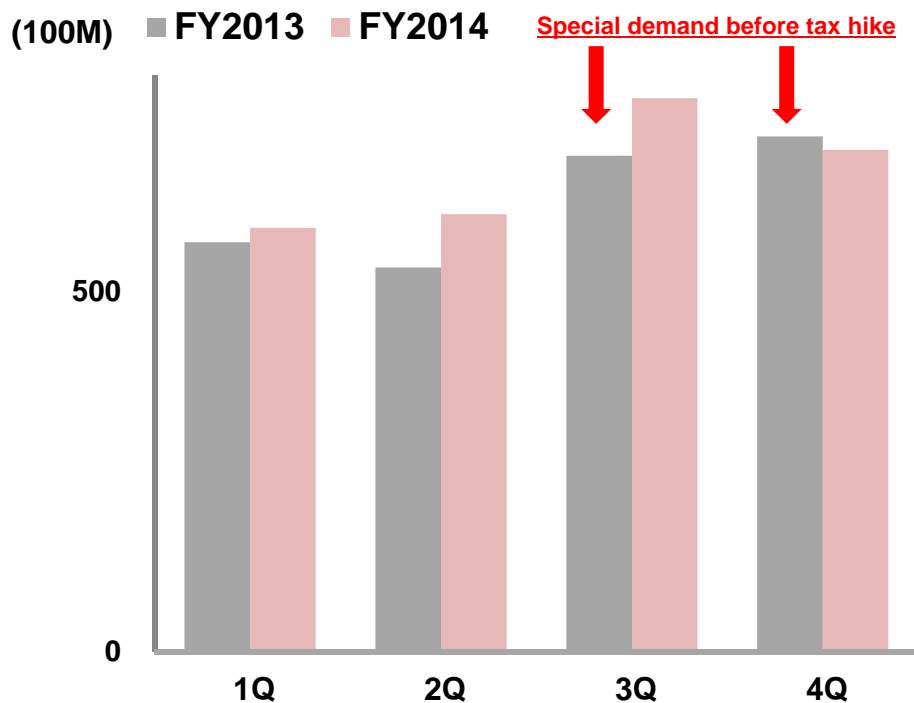


Investment-Stage Businesses

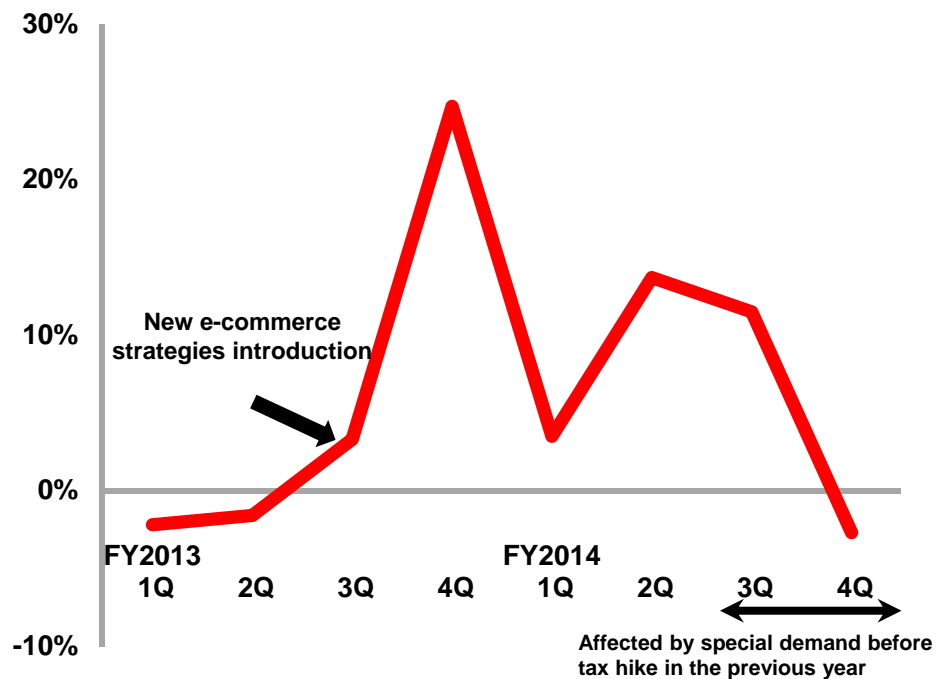
Shopping
Credit Card

Shopping Transaction Value (Yahoo! Shopping + LOHACO)

Quarterly transaction value



Quarterly YoY changes



45

*Includes transaction value of Yahoo! Shopping and LOHACO.



Key Indicators at FY2014 End

Number of store IDs ^{*1}	
80 _{thousand} → 280 _{thousand}	Monthly YoY 3.6 times

Number of items listed	
90 _{million} → 160 _{million}	Monthly YoY +68%

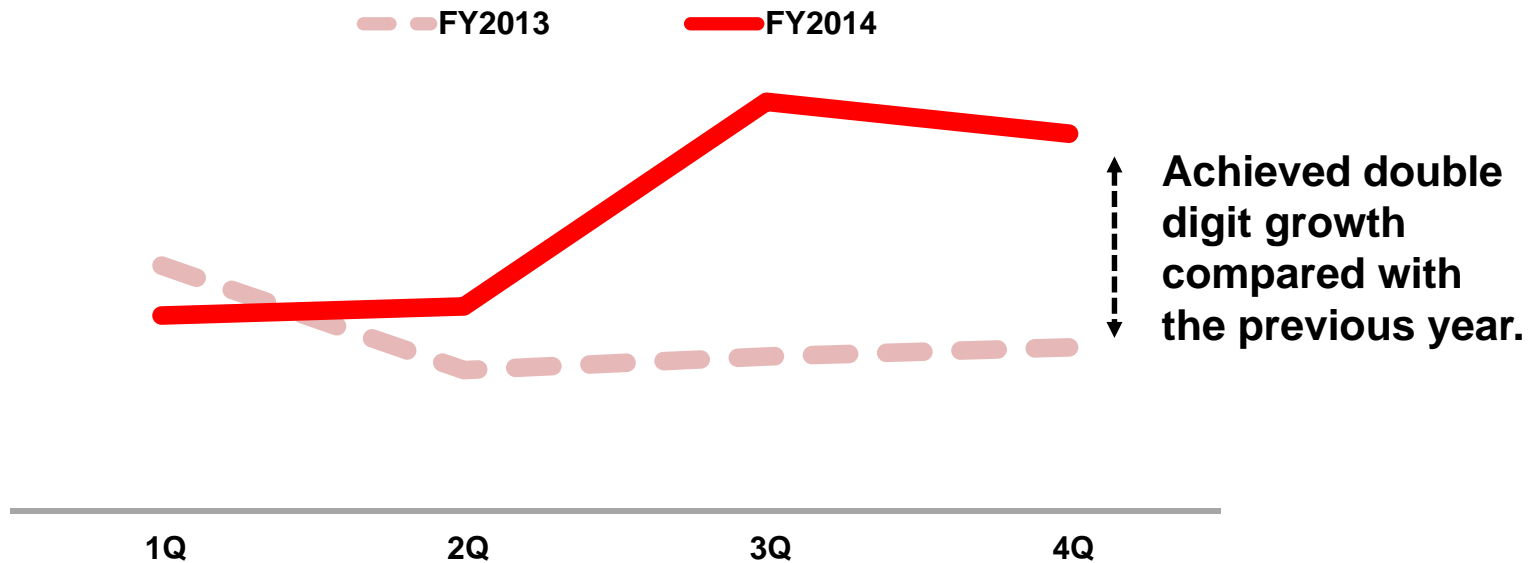
Conversion rate of buyers to site visitors ^{*2}
Annual average grew by double digit year on year.

^{*1} Number of corporate and individual accounts issued. It includes the number of accounts still preparing the store sites.

^{*2} Conversion rate is the ratio of buyers to visitors of Yahoo! Shopping pages.

Purchasing Conversion Rate

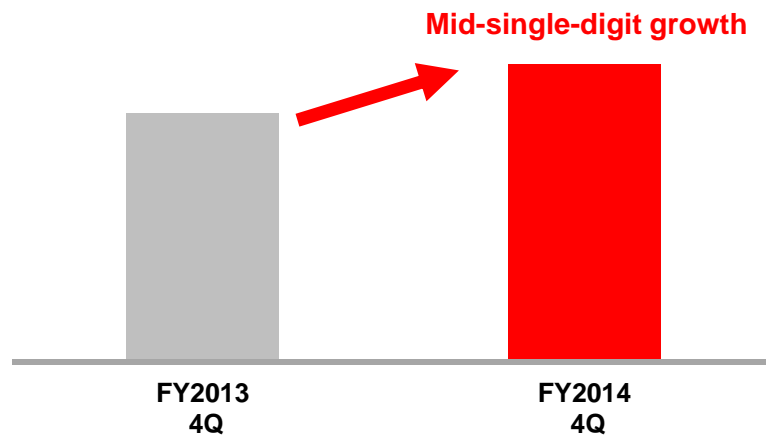
Had been rising in the second half despite the negative impact of special demand before consumption tax hike in the previous year, thanks to price competitiveness and quality of services improvement.



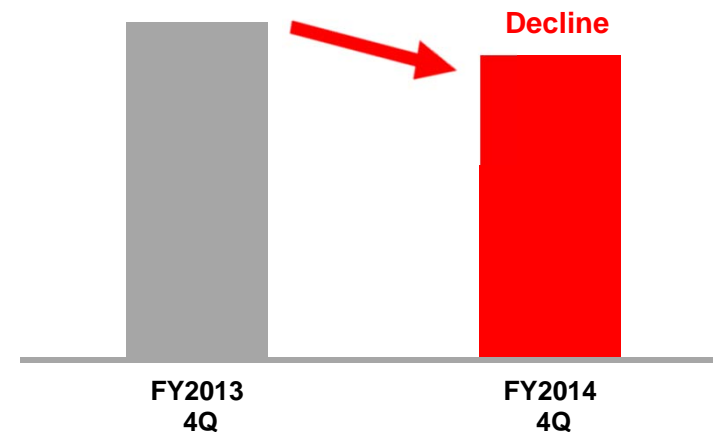
Number of Buyers and Average Unit Price

Although the average unit price declined in reaction to the special demand before tax hike, number of buyers increased.

Number of buyers



Average unit price

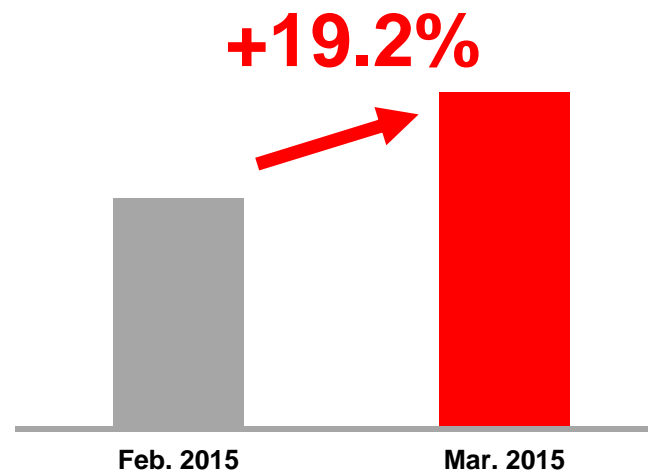


Promotional Activities to Increase Appeal of Shopping Services



Promotional campaigns giving additional points to buyers were implemented.

Monthly purchase value of buyers eligible for promotional campaigns

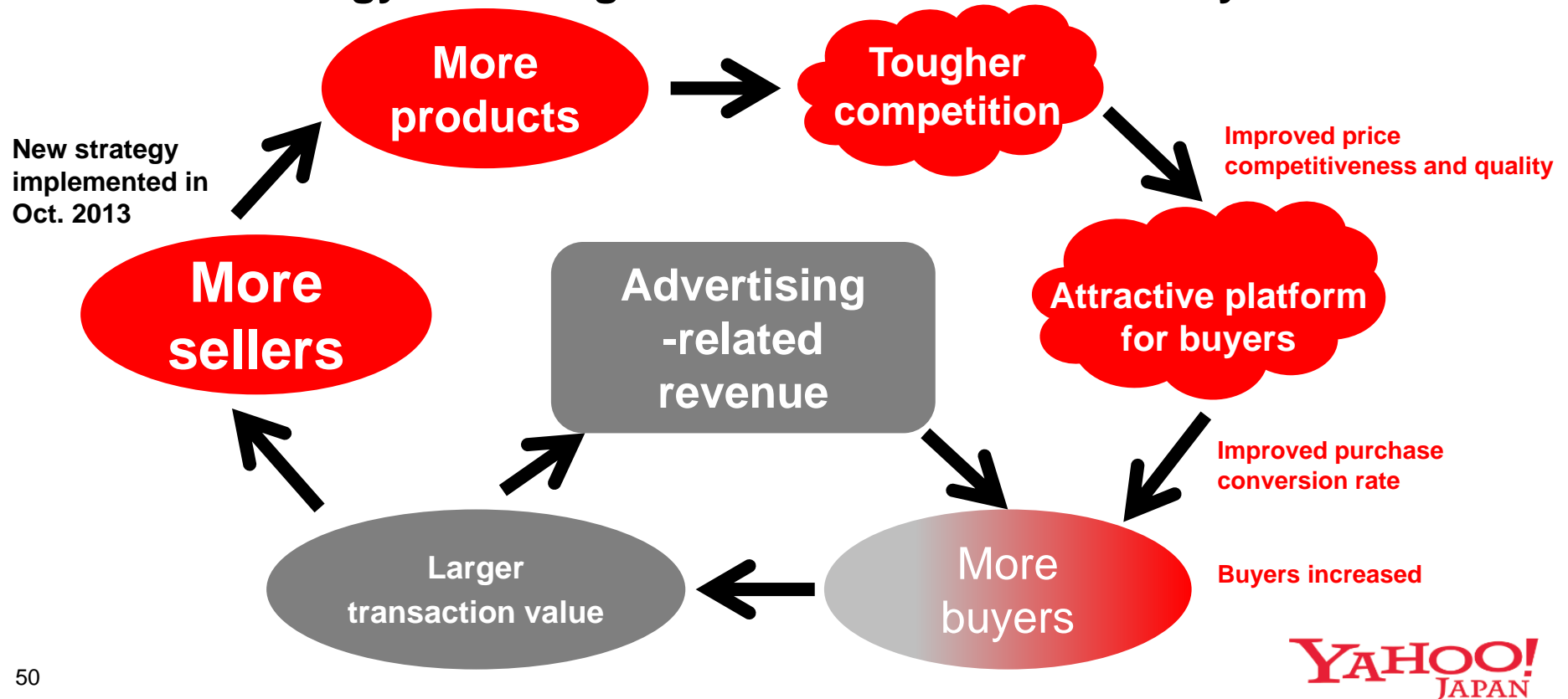


* Monthly purchase value purchased at Yahoo! Shopping by Yahoo! Premium members who entered the additional point campaign

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Progress after the New Strategy Implementation

The new strategy is leading to increase in number of buyers.



Investment-Stage Businesses

**Shopping
Credit Card**

Overview of YJ Card Corporation

Company name:

YJ Card Corporation

Shareholders:

Yahoo Japan Corporation (65%)

SoftBank Payment Service Corp. (35%)

History:

June 2014 Announced purchase of shares of KC Co., Ltd.

Jan. 2015 Completed purchasing 65% of shares and converted to subsidiary

Jan. 2015 Changed company name to YJ Card Corporation

Services

**Started offering new
Yahoo! JAPAN Card
in April 2015.**

Collaboration between
Yahoo Japan Corporation and YJ Card Corporation



**Started offering
SoftBank Card
in March 2015.**

Card issuer: SoftBank Payment Service Corp.

**YJ Card Corporation offers
automatic charge function of
prepaid card**



Privileges for Yahoo! JAPAN Card Members

Offers convenient and satisfying shopping experience



Product	Yahoo! JAPAN Card (Card issuer: YJ Card Corporation)
Brand	Visa, MasterCard, JCB
Annual fee	¥0 for life
Points	<ul style="list-style-type: none"> •1% for every use of Yahoo! JAPAN Card •3% for every purchase on Yahoo! Shopping and LOHACO •Allows card members to use Yahoo! ezPay free of charge (once a month)
Platinum protection for card members	<ul style="list-style-type: none"> •Platinum protection provided on every settlement with Yahoo! JAPAN Card •11 useful types of protection can be added by paying ¥500 (excluding tax) monthly

カードのご利用で
ポイントが貯まる!

100円 = 1ポイント

YAHOO! JAPAN ショッピング
LOHACO

T-POINT 毎日 3倍

Yahoo!かんたん決済手数料が
無料 (月1回)
※初年度のみ



T-Point Issue Rate

More and more points are given according to Yahoo! JAPAN services.



Total T-Point issued **x11-x25**

*As of May 1, 2015



Offers Attractive Services to Stores

Settlement fee is **3.00%** on purchases on Yahoo! Shopping with Yahoo! JAPAN Card

*Settlement fee charged with other credit cards: 3.24%

No other fees such as monthly due, data processing charges, etc. required.

Promotion Activities for Acquiring Members

-Collaborating with Shopping Business

YAHOO! JAPAN ショッピング

0ポイント ストアスタンプラリー クーポン0枚

商品を検索する カテゴリ選択

全ストア対象 福岡ソフトバンクホークス 勝ったら翌日12時~26時 2倍ポイント

いつでもポイント3倍 年会費無料! Yahoo! JAPANカード入会で3,000ポイントプレゼント!

申し込みをする

お買い得合計金額(税込) 3,000円
Yahoo! JAPANカード入会特典3,000ポイント -3,000円
入会特典利用後のお買い得合計金額 0円

ショッピングカート一覧

商品はお取り置きしておりません。お早めのご注文確定をおすすめします。

ストア名: 福岡ソフトバンクホークス

商品名	価格(税込)	数量	小計 獲得ポイント	後で買う
ソフトバンクカード入会特典3,000ポイントプレゼント	3,000円	1 削除	3,000円 ポイント3倍 90ポイント	<input type="checkbox"/> 後で買う

90ポイント獲得
今回のお買い物で獲得できるポイントです。

合計金額(税込): 3,000円
全国一律送料無料
※条件により送料が異なる場合があります
送料・手数料について

ご注文手続きへ

元の商品に戻り、買い物続ける | このストアのトップページに戻り、買い物続ける | このストアのカートを空にする

On shopping cart

- Takes as little as 2 minutes to become a card member
- Expanding promotions to other services on Yahoo! JAPAN

Users will be given up to 5,000 points.*

- On subscription: 3,000 points
- On the first usage: 2,000 points

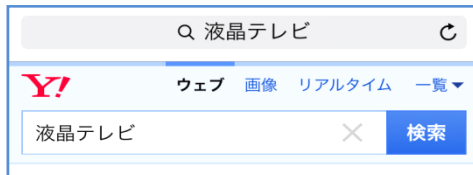
* Campaign period: April 1 – June 30, 2015

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JAPAN

Promotion Activities for Acquiring Members

-Utilizing Big Data

Marketing measures as being a big data company



Predict users' potential purchasing behavior utilizing big data



Searching for "liquid crystal television"

(Example) Promotional email sent from Yahoo! Shopping

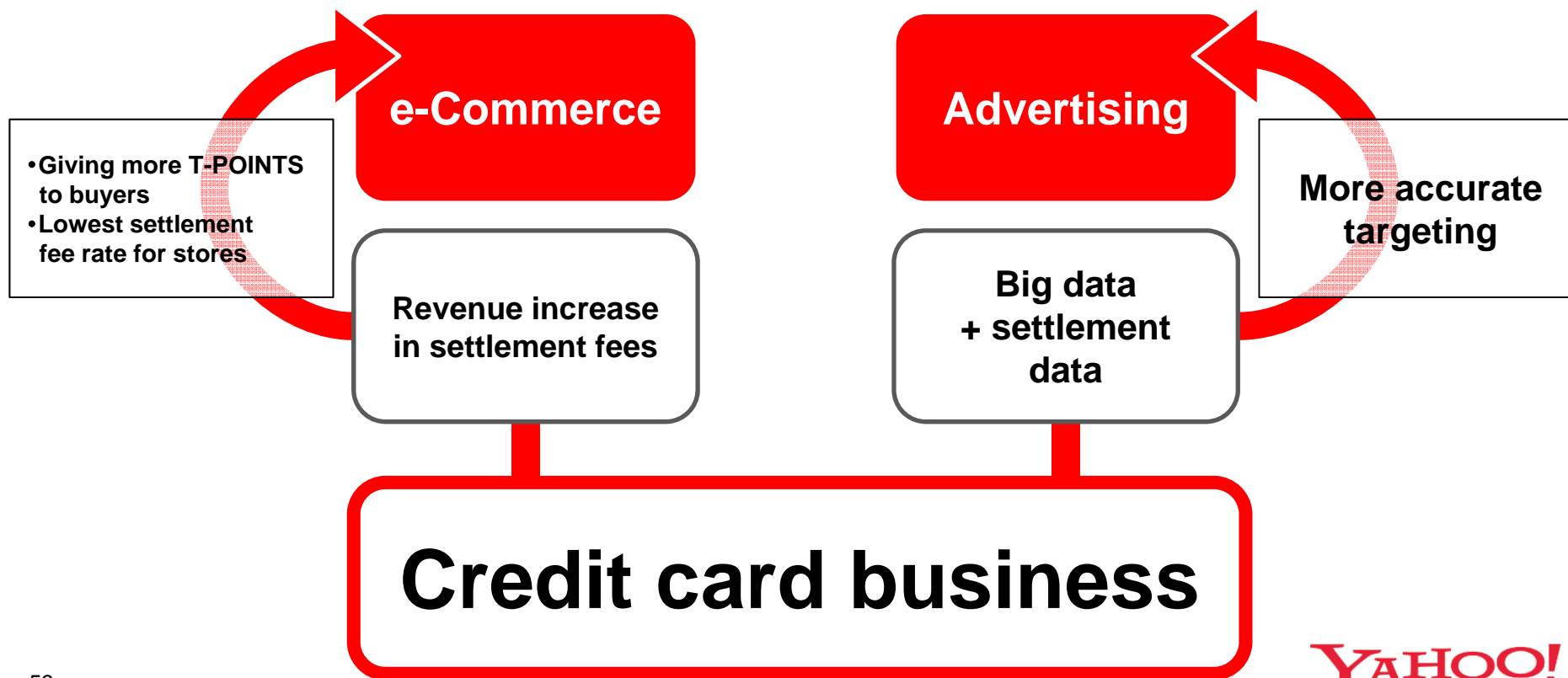


Encourage users with high frequency and high purchase value to apply for card by promotional email



YAHOO!
JAPAN

Expected Contribution to Other Businesses of Yahoo! JAPAN



Progress after Start

Both Yahoo! JAPAN and SoftBank card members growing favorably.

T-POINT YAHOO! JAPAN T-POINT SoftBank

オレに払わせてくれ。
3倍貯まるし。

どこでも使える。Tポイント最大3倍貯まる!
ソフトバンクカード

TポイントがYahoo! ショッピングや LOHACO で毎日3倍!
Yahoo! JAPANカード

ソフトバンクカードはTカードとしてもご利用いただけます。お申し込みは近隣のソフトバンク取扱店へ。

Yahoo! JAPAN Card

SoftBank Card

YAHOO!
JAPAN

Business Results Supplemental Information

- P. 62 FY2014 Business Results**
- P. 70 FY2014-4Q Business Results**
- P. 83 Business Data**
- P. 85 Organization, Personnel and
Affiliated Companies**

Yahoo Japan Corporation adopted International Financial Reporting Standards (IFRSs) beginning with the first quarter of the fiscal year ended March 31, 2015 (FY2014) with a transition date as of April 1, 2013.

Figures for the fiscal year ended March 31, 2014 (FY2013) are restated on an IFRS basis.

FY2014 Business Results

FY2014 Statements of Income

	FY2013	FY2014	Increase/ decrease	Change
Revenue (¥100M)	4,085	4,284	199	4.9%
Cost of Sales (¥100M)	758	855	96	12.7%
Gross Profit (¥100M)	3,326	3,429	103	3.1%
SG&A and others (¥100M)	1,362	1,457	95	7.0%
Operating Income (¥100M)	1,964	1,972	7	0.4%
Other Non-operating Income and Expenses (¥100M)	118	94	-24	-20.8%
Equity in Earnings (Losses) of Associates (¥100M)	-0	16	17	n.a.
Income before Income Taxes (¥100M)	2,082	2,082	0	0.0%
Net Income (¥100M)	1,296	1,339	42	3.3%
Net Income Attributable to Owners of the Parent (¥100M)	1,286	1,330	44	3.5%
Diluted EPS (¥) *	22.43	23.37	0.94	4.2%
Number of Shares after Dilution (million) **	5,734	5,693	-40	-0.7%

* Diluted EPS is calculated using the Net Income Attributable to Owners of the Parent.

** Number of Shares after Dilution excludes treasury stock.

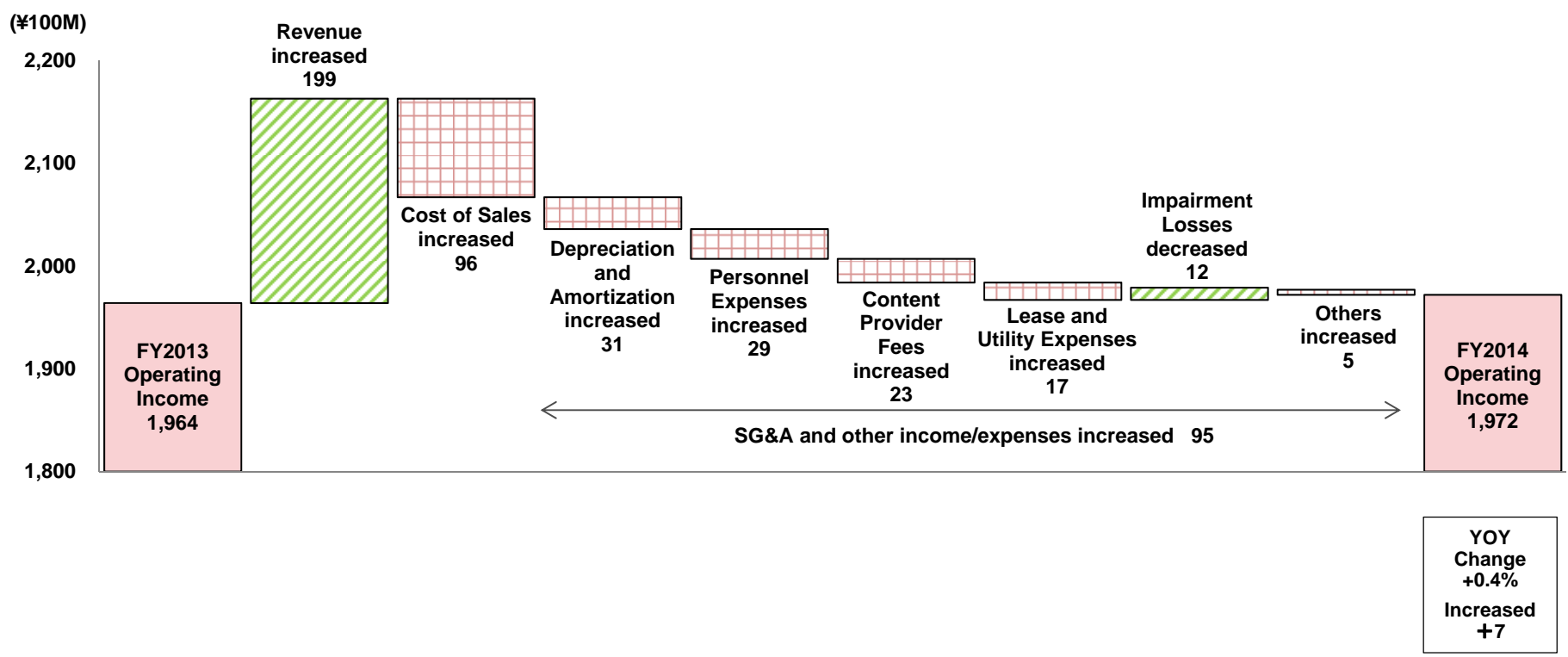


FY2014 SG&A and Other Income/Expenses Breakdown

	FY2013	FY2014	Composition Ratio	Increase/decrease	Change	Major Factors for YoY Changes	(¥100M)
Personnel Expenses	456	486	33.4%	29	6.4%	Number of employees reached 7,034, up 743 (11.8%)	
Business Commissions	167	181	12.4%	14	8.4%	Increase of operations commission fees for our services	
Sales Promotion Costs	141	152	10.5%	11	8.2%	Increase of e-commerce-related promotion costs	
Depreciation and Amortization	108	139	9.6%	31	28.8%	Increase due to acquisition of computer server and network-related equipment	
Royalties	112	116	8.0%	3	3.4%		
Content Provider Fees	89	113	7.8%	23	26.9%	Increase of search system-related costs	
Lease and Utility Expenses	73	91	6.3%	17	24.4%	Increase of costs for moving some sections of offices	
Communication Charges	59	56	3.8%	-3	-6.3%		
Administrative and Maintenance Expenses	28	36	2.5%	8	28.4%		
License Fees	15	30	2.1%	14	91.2%		
Advertising Costs	27	27	1.9%	0	0.2%		
Taxes and Public Dues	17	21	1.4%	3	18.4%		
Impairment Losses	28	15	1.1%	-12	-44.3%		
Sales Commissions	9	10	0.7%	0	9.7%		
Travel and Transportation Expenses	8	8	0.6%	0	4.8%		
Others	16	-30	-2.1%	-46	n.a.	Decrease due to capitalization of expenses such as personnel expenses	
Total SG&A and others	1,362	1,457	100.0%	95	7.0%		

* Total SG&A and others includes Other Income and Expenses.

FY2014 Analysis of Operating Income Increase/Decrease



* Total SG&A and others includes Other Income and Expenses.



FY2014 Statements of Financial Position

	2014/3/31	2015/3/31	Increase/ decrease		2014/3/31	2015/3/31	Increase/ decrease
<Assets>				<Liabilities>			
Current Assets	6,587	7,418	831	Current Liabilities	2,183	2,397	214
Cash and Cash Equivalents	4,823	5,039	216	Trade and Other Payables	1,425	1,589	164 *6
Trade and Other Receivables	1,603	2,177	573 *1 *2	Other Financial Liabilities/Other Current Liabilities	271	413	141
Other Financial Assets/Other Current Assets	159	201	41	Income Taxes Payable	456	330	-125
Non-current Assets	1,912	2,657	744	Provisions	29	63	34 *7
Property and Equipment	601	674	73	Other Non-current Liabilities	39	272	233
Goodwill	158	276	118 *3	Provisions	26	228	201 *7
Intangible Assets	178	323	145 *4	Total Liabilities	2,222	2,670	447
Investments Accounted for Using the Equity Method	343	616	273 *5				
Other Financial Assets/Other Non-current Assets	506	614	108	<Equity>			
Total Assets	8,499	10,076	1,576	Equity Attributable to Owners of the Parent	6,196	7,260	1,063
				Common Stock	82	82	0
				Capital Surplus	38	12	-26 *8
				Retained Earnings	5,980	7,058	1,078 *9
				Treasury Stock	-5	-13	-7
				Accumulated Other Comprehensive Income	100	119	19
				Non-controlling Interests	80	145	65
				Total Equity	6,277	7,405	1,128
				Total Liabilities and Equity	8,499	10,076	1,576

Major Factors for Increase/Decrease

- *1 Increase of operating loans due to consolidation of YJ Card Corporation
- *2 Increase in balances of foreign exchange dealing cash-deposits with trust banks
- *3 Increase of subsidiaries
- *4 Increase in computer software
- *5 Conversion of non-voting shares of The Japan Net Bank, Limited
- *6 Increase in balances of foreign exchange dealing deposits from customers
- *7 Consolidation of YJ Card Corporation
- *8 Additional acquisition of shares of subsidiaries
- *9 Increase of Net Income Attributable to Owners of the Parent

FY2014 Statements of Cash Flows

Major Items	FY2014	Major Factors for Changes	(¥ 100M)	Increase/decrease
<u>Operating Activities</u>	<u>1,262</u>			
Income before Income Taxes	2,082			Operating Activities 1,262
Depreciation and Amortization	169			
Increase/Decrease in Trade and Other Receivables/Payables	-67			
Incremental Realization of Re-evaluation Profits from Associates	-62	The Japan Net Bank, Limited becoming an affiliate		
Payment of Income Taxes	-831			
<u>Investing Activities</u>	<u>-678</u>			Investing Activities -678
Acquisition of Tangible Fixed Assets	-170			
Acquisition of Intangible Assets	-72			
Expenditures on Investment Securities	-209	BOOKOFF CORPORATION LIMITED, Tpoint Japan Co., Ltd. and others		
Acquisition of Shares of Subsidiaries	-217	YJ Card Corporation, Synergy Marketing, Inc. and others		Financing Activities -371
<u>Financing Activities</u>	<u>-371</u>			
Payment of Dividends	-252			
Expenditure on Repayment of Long-term Debt	-54	Repayment of debts by a subsidiary		Net Change in Cash and Cash Equivalents 216
Additional Acquisition of Shares of Subsidiaries	-51			
<u>Net Change in Cash and Cash Equivalents</u>	<u>216</u>			

FY2014 Investment Records

Total amount of investments ⁽¹⁾ : approx. 75 billion yen

Major investments

Companies	Date	Amount of investment (¥100 Million) (1)	Ratio of voting rights
BOOKOFF CORPORATION LIMITED	May 2014	98	15.02%
Synergy Marketing, Inc.	Sept. 2014	89	94.54%
Carview Corporation (2)	Dec. 2014	51	96.65%
KC Co., Ltd. (currently YJ Card Corporation)	Jan. 2015	232	65.00%
YJ2 Investment Partnership	Jan. 2015	200	100.00%
GameBank Corp.	Jan. 2015	Undisclosed	40.00%
Tpoint Japan Co., Ltd. (2)	Mar. 2015	Undisclosed	17.50%

(1) Commission fees, advisory expenses and others are included in total amount of investments, but not in amount of individual investments.

(2) Additional investment

* Company names, amount of investments, ratios of voting rights are at the point of investment.

Reference: Comparison of Main Line Items of Statements of Income

for the FY2013 ended March 31, 2014, under IFRSs and JGAAP

(¥ 100M)

JGAAP		IFRSs	
Net Sales	3,862	Revenue	4,085
Cost of Sales	490	Cost of Sales	758
Gross Profit	3,372	Gross Profit	3,326
SG&A	1,398	SG&A and Others	1,362
Operating Income	1,974	Operating Income	1,964
Non-operating Income	12	Other Non-operating Income	131
Non-operating Expenses	10	Other Non-operating Expenses	13
Extraordinary Income	123	Equity in Earnings (Losses) of Associates	-0
Extraordinary Losses	53	Income before Income Taxes	2,082
Income before Income Taxes and Minority Interests	2,046	Income Taxes	785
Income Taxes	784	Net Income	1,296
Income before Minority Interests	1,261		

The Major Changes

TACs (Traffic Acquisition Costs) in advertising and commissions for settlement and others are presented on a gross basis.

- Goodwill is no longer amortized.
- Other Income/Expenses (Reclassified from Non-operating Income/Expenses and Extraordinary Income/Losses)
- Depreciation method for Fixed Assets has changed.

FY2014 Quarterly Business Results

FY2014-4Q Statements of Income

	2013/4Q	2014/4Q	Increase/ decrease	Change
Revenue (¥100M)	1,076	1,176	99	9.3%
Cost of Sales (¥100M)	205	234	28	13.6%
Gross Profit (¥100M)	870	942	71	8.2%
SG&A and others (¥100M)	393	418	24	6.3%
Operating Income (¥100M)	477	524	46	9.8%
Other Non-operating Income and Expenses (¥100M)	58	-6	-65	n.a.
Equity in Earnings (Losses) of Associates (¥100M)	-0	7	7	n.a.
Income before Income Taxes (¥100M)	536	525	-10	-2.0%
Quarterly Net Income (¥100M)	322	330	8	2.5%
Net Income Attributable to Owners of the Parent (¥100M)	319	329	10	3.3%
Diluted EPS (¥) *	5.60	5.79	0.19	3.4%
Number of Shares after Dilution (million) **	5,698	5,692	-5	-0.1%

* Diluted EPS is calculated using the Quarterly Net Income Attributable to Owners of the Parent.

** Number of Shares after Dilution excludes treasury stock.

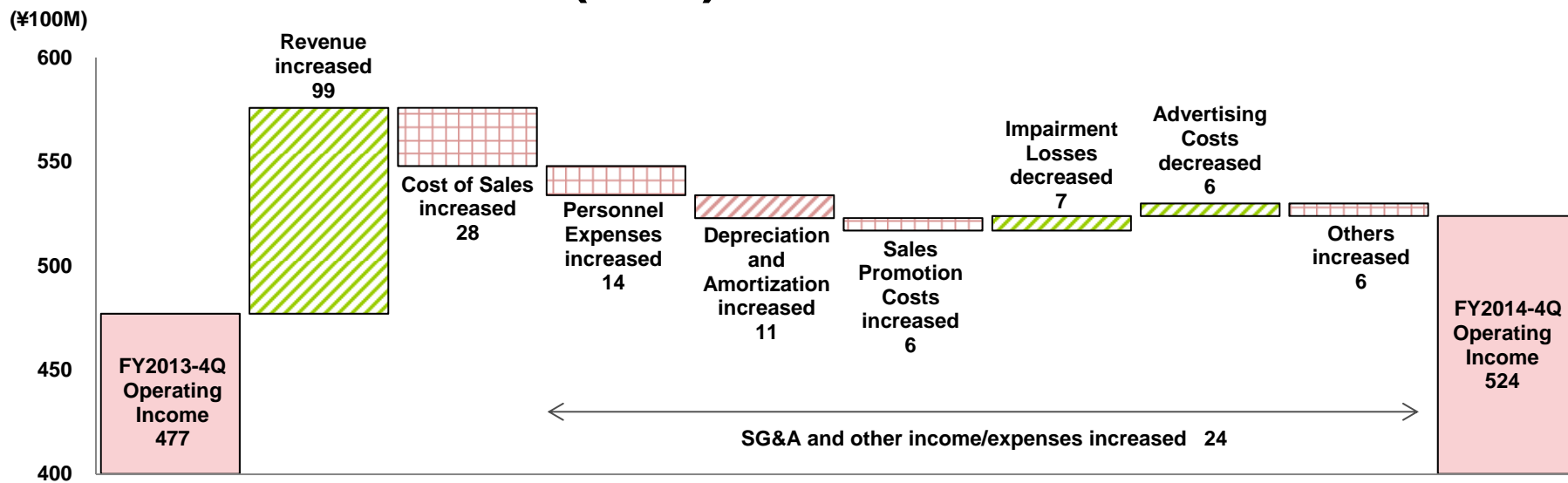


FY2014-4Q SG&A and Other Income/Expenses Breakdown

	13/4Q	14/3Q	14/4Q	Composition Ratio	QoQ Change	YoY Change	Major Factors for YoY Changes	(¥100M)
Personnel Expenses	127	118	141	33.8%	18.9%	11.2%	Number of employees reached 7,034, up 743 (11.8%)	
Business Commissions	45	43	45	10.9%	5.4%	-0.7%		
Sales Promotion Costs	38	33	44	10.7%	32.4%	16.4%	Increase of T-POINT expenses and subsidiaries	
Depreciation and Amortization	28	35	39	9.5%	12.0%	40.6%	Increase due to acquisition of computer server and networking-related equipment	
Royalties	29	29	31	7.6%	9.7%	8.1%		
Content Provider Fees	27	28	29	7.2%	4.4%	10.2%		
Lease and Utility Expenses	18	22	22	5.5%	1.2%	24.7%		
Communication Charges	13	13	13	3.2%	-1.9%	-1.2%		
Impairment Losses	20	2	12	3.0%	502.3%	-38.8%		
Taxes and Public Dues	8	3	11	2.6%	239.4%	35.8%		
Administrative and Maintenance Expenses	7	9	10	2.4%	10.8%	34.5%		
License Fees	4	8	8	2.2%	8.2%	92.7%		
Allowance for Doubtful Accounts	1	1	6	1.6%	409.4%	324.3%		
Advertising Costs	11	9	5	1.2%	-47.9%	-55.5%		
Sales Commissions	1	1	3	0.7%	125.7%	174.7%		
Others	10	-2	-8	-2.1%	n.a.	n.a.		
Total SG&A and others	393	358	418	100.0%	16.7%	6.3%		

* Total SG&A and others includes Other Income and Expenses.

FY2014-4Q Analysis of Operating Income Increase/Decrease (YoY)

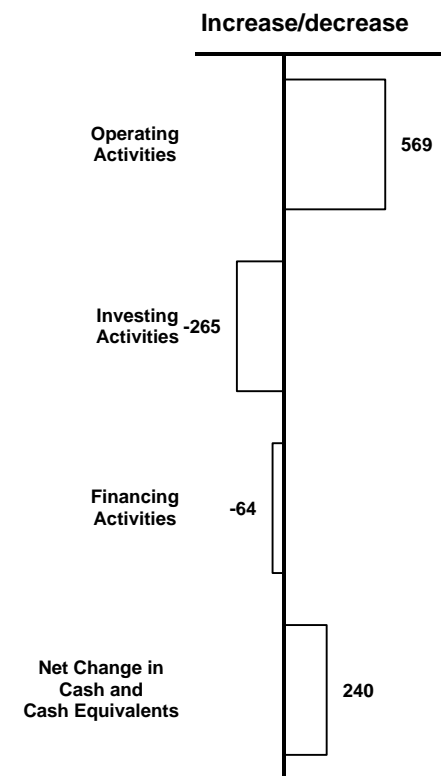


YOY
Change
+9.8%
Increased
+46

* Total SG&A and others includes Other Income and Expenses.

FY2014-4Q Statements of Cash Flows

Major Items	FY2014-4Q	Major Factors for Changes	(¥100M)
<u>Operating Activities</u>	<u>569</u>		
Income before Income Taxes	525		
Depreciation and Amortization	47		
Increase/Decrease in Trade and Other Receivables/Payables	13		
Increase/Decrease in Other Current Assets/Liabilities	45		
Increase/Decrease in Other Financial Assets/Liabilities	-58		
Payment of Income Taxes	-13		
<u>Investing Activities</u>	<u>-265</u>		
Acquisition of Tangible Fixed Assets	-34		
Acquisition of Intangible Assets	-13		
Expenditures on Investment Securities	-83		
Acquisition of Shares of Subsidiaries	-149	Acquisition of shares of YJ Card Corporation	
<u>Financing Activities</u>	<u>-64</u>		
Expenditure on Repayment of Long-term Debt	-5	Repayment of debts by a subsidiary	
<u>Net Change in Cash and Cash Equivalents</u>	<u>240</u>		



YAHOO!
JAPAN

Business Segment Breakdown

Marketing Solutions Business

- **Advertising:** Paid search advertising “Sponsored Search”
Display advertising (“Yahoo! Display Ad Network” (YDN), Premium advertising)
- **Business Services:** Data Center-related, Affiliate-related, Yahoo! Real Estate, CRM-related, Individual, Yahoo! WebHosting and others
- **Personal Services:** Pay digital content, Video-related, Yahoo! Partner and others

Consumer Business

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

Others

- **Advertising:** Display advertising
- **Business Services:** Credit card-related service, Settlement-related services and others
- **Personal Services:** Credit card-related service, FX-related service, Settlement-related services and others

FY2014-4Q Highlights – Marketing Solutions Business

■ Paid search advertising [Sponsored Search]

- Smartphone advertising revenue expanded substantially year on year due to increased search volume via smartphones. On the other hand, PC advertising revenue decreased compared with the same quarter last year.
- Sponsored Search revenue increased by 0.6% from the fourth quarter last year.

■ Display advertising

(“Yahoo! Display Ad Network” (YDN), Premium advertising)

- Due to functional improvement, YDN revenue expanded sharply year on year.
- Revenue of Yahoo! Premium DSP and Video Advertising increased.
- Revenue of display advertising rose by 21.0% compared with the fourth quarter last year.

Marketing Solutions Business	2013-4Q	2014-4Q	(¥ 100M) YoY Change
Revenue	774	841	8.7%
Operating Income	422	456	7.9%

FY2014-4Q Highlights – Consumer Business

■ Auction-related

- Transaction value of YAHUOKU! has kept growing compared with the same quarter last year. In particular, transaction value via smartphones grew.
- Revenue increased year on year.

■ Shopping-related

- In Yahoo! Shopping, the number of stores continued to increase. The number of merchandise items expanded to approx. 160 million at the end of the fourth quarter.
- The decline in shopping-related transaction value stayed to as little as 0.8% due to the contribution of an aggressive point campaign by Yahoo! Shopping and other services, in spite of the negative reaction to the rush in demand in anticipation of the consumption tax hike in the fourth quarter last year.

■ Yahoo! Premium

- The number of Yahoo! Premium membership IDs on March 31, 2015 climbed to 10.77 million IDs because of the large growth in membership through the SoftBank stores and Y! mobile stores.

Consumer Business	2013-4Q	2014-4Q	(¥ 100M) YoY Change
Revenue	248	262	5.4%
Operating Income	132	148	12.6%



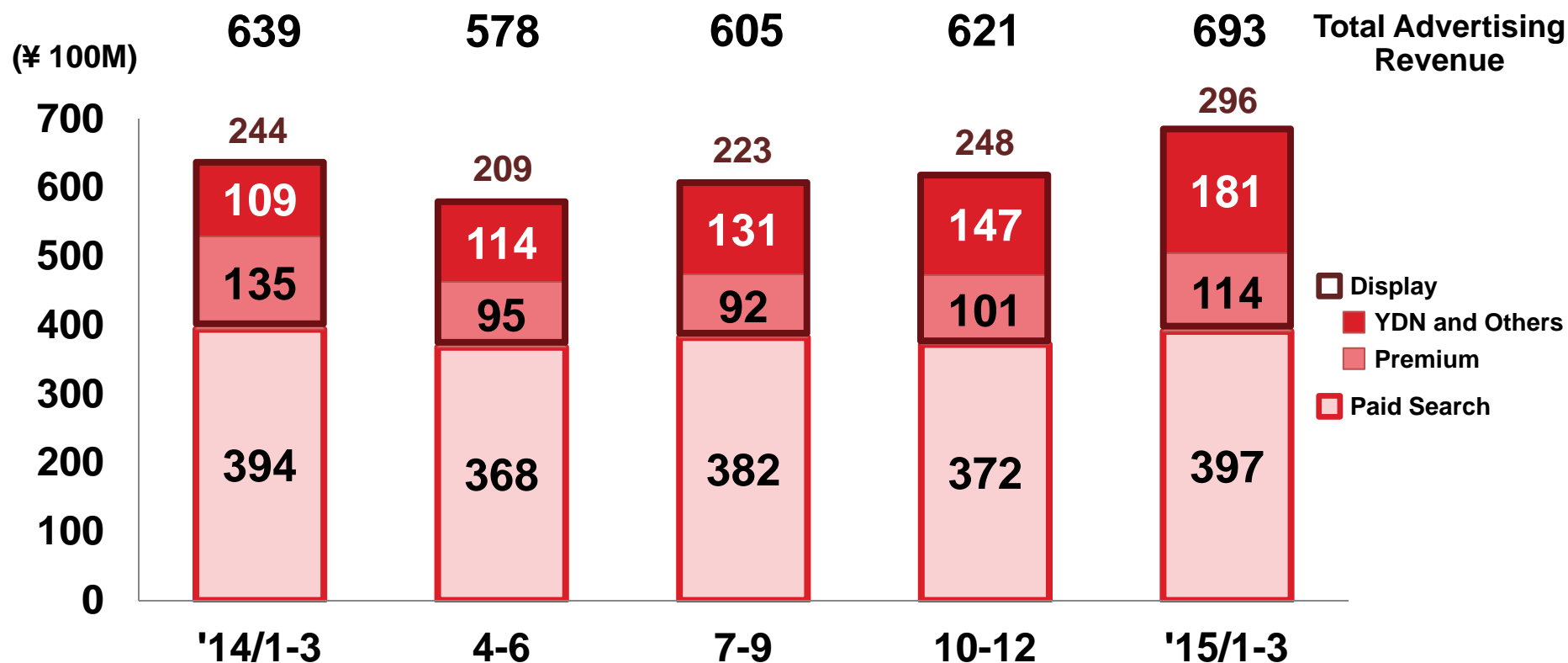
Advertising Products

Advertising Products		Main Format	Fee Calculation	Placement Pages	Main Advertiser Base
Paid Search Advertising	“Sponsored Search”		Per-click rate (Performance-based*)	Search results pages	Major corporations
Display Advertising	YDN and Others	“Yahoo! Display Ad Network”(YDN)		Text Banner	Top page Interior pages of service sites
		“Yahoo! Premium DSP”	Banner	Per-impression page view rate (Performance-based*)	
	Premium Advertising		Rich ad (Including Video) Banner	Per-impression page view rate (Guarantee-based**)	

* Performance-based: Advertising that is programmatically or manually managed on a real-time basis to optimize advertisings.

** Guarantee-based: Advertising where specific placement is reserved in advance.

Revenue Trends by Advertising Products



The Company adopted IFRSs beginning with FY2014. Figures for FY2013 are restated on an IFRS basis.



Paid Search Advertising Revenue by Industry

Industries with large year-on-year increase

- Recruitment and Human Resources
- Finance/Insurance
- Foodstuffs/Beverages/Cigarettes

Industries with large year-on-year decrease

- Real Estate
- Fashion/Accessories
- Travel/Transportation

	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q
Finance/Insurance	10.1%	10.0%	10.0%	10.4%	10.7%
Travel/Transportation	9.9%	10.5%	12.2%	9.4%	9.7%
Real Estate	7.7%	5.9%	6.1%	5.5%	7.1%
Mail Order/Retail	6.0%	6.0%	6.3%	8.4%	6.2%
Recruitment and Human Resources Services	5.2%	5.2%	5.0%	5.1%	5.9%
Education/Qualification	5.5%	4.8%	4.5%	4.3%	5.4%
Medical/Welfare Services	4.5%	4.7%	4.4%	4.5%	4.6%
Foodstuffs/Beverages/Cigarettes	3.7%	4.1%	4.3%	4.4%	4.3%
Interior/Renovation/Household Equipment	4.3%	4.3%	4.1%	4.5%	4.3%
Fashion/Accessories	4.4%	4.3%	4.2%	4.5%	4.1%
Autos/Transport Equipment	3.3%	2.9%	2.9%	3.0%	3.5%
Professional Equipment and Supplies	2.8%	3.1%	2.8%	3.2%	3.0%
Others	32.6%	34.2%	33.2%	32.8%	31.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



YDN Advertising Revenue by Industry

Industries with large year-on-year increase

- Foodstuffs/Beverages/Cigarettes
- Education/Qualification
- Health and Beauty Services/Goods

	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q
Finance/Insurance	21.6%	21.9%	18.9%	18.4%	15.9%
Foodstuffs/Beverages/Cigarettes	7.6%	10.0%	8.8%	9.3%	9.2%
Real Estate	10.8%	8.5%	8.1%	7.0%	7.6%
Education/Qualification	5.7%	4.0%	4.2%	4.5%	7.5%
Cosmetics/Toiletries/Daily Necessities	6.9%	8.2%	7.9%	7.4%	7.5%
Recruitment and Human Resources Services	6.1%	5.9%	5.5%	5.7%	6.3%
Autos/Transport Equipment	3.2%	2.7%	3.5%	3.6%	4.9%
Travel/Transportation	3.7%	4.0%	4.7%	4.1%	4.6%
Health and Beauty Services/Goods	2.4%	3.1%	4.2%	3.9%	3.5%
Wedding, Matching and Ceremonial Services	2.5%	2.7%	3.2%	3.4%	3.2%
Home Electronics/Information Equipment/Cameras	2.6%	1.8%	2.0%	3.4%	3.0%
Telecommunication	4.1%	2.4%	2.1%	2.0%	2.9%
Others	22.8%	24.8%	26.9%	27.3%	23.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

* Some parts of advertising revenue are not categorized.



Premium Advertising Revenue by Industry

Industries with large year-on-year increase

- Broadcasting
- Precision Equipment (Cameras/Clocks/Digital Cameras)
- Education/University

Industries with large year-on-year decrease

- Real Estate/Construction
- Foodstuffs
- Beverages/Cigarettes

	13/4Q	14/1Q	14/2Q	14/3Q	14/4Q
Autos and Accessories (Transport Equipment)	12.9%	10.7%	14.6%	12.2%	15.0%
Transportation/Leisure	10.0%	11.4%	8.2%	7.6%	11.7%
Finance/Insurance/Securities	10.7%	9.1%	7.7%	8.7%	10.6%
Real Estate/Construction	11.5%	9.7%	9.1%	7.0%	9.9%
Mobile Communications Services	6.1%	4.9%	9.4%	6.3%	6.1%
Foodstuffs	7.4%	8.4%	7.1%	6.4%	5.5%
Cosmetics/Toiletries	6.2%	11.2%	6.8%	6.7%	5.0%
Computers and Accessories/Office Equipment	3.8%	2.0%	3.4%	5.0%	4.5%
Beverages/Cigarettes	5.6%	7.4%	5.7%	5.0%	3.7%
Broadcasting	2.0%	3.8%	2.0%	5.1%	3.4%
Government/Organizations	3.0%	1.1%	1.6%	3.9%	3.2%
Education/University	2.1%	1.7%	1.3%	0.9%	2.9%
Others	18.7%	18.6%	23.1%	25.2%	18.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

* Advertising Revenue of Yahoo! Shopping and YAHUOKU! is excluded in the calculation of the revenue composition ratio.



Quarterly Business Data (1)

Indicator (Quarterly average)	Unit	2013/4Q	2014/1Q	2014/2Q	2014/3Q	2014/4Q	YoY Change
Number of total monthly page views	millions	56,502	59,468	62,483	60,561	61,969	9.7%
Number of total monthly smartphone page views (1)	millions	20,590	23,788	26,903	27,320	29,454	43.0%
Number of Daily UBs (Unique Browsers) (2)	millions	67.34	70.44	73.54	76.01	79.79	18.5%
Number of smartphone Daily UBs (1)(2)	millions	32.16	36.04	39.43	42.43	45.92	42.8%
Number of monthly active user IDs (3)	millions	27.88	27.85	28.29	28.89	29.53	5.9%
Number of Yahoo! Premium member IDs (quarter-end)	millions	9.87	9.66	9.87	10.30	10.77	9.0%

(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)	Unit	2013/4Q	2014/1Q	2014/2Q	2014/3Q	2014/4Q	YoY Change
Auction-related transaction value (1) *	100 millions of yen	1,988	1,952	1,920	2,217	2,090	5.1%
Shopping-related transaction value (2) *	100 millions of yen	968	842	895	1,028	961	-0.8%
Total domestic e-commerce transaction value (auction-related and shopping-related) *	100 millions of yen	2,957	2,795	2,815	3,245	3,051	3.2%
Total domestic e-commerce transaction value via smartphones *	100 millions of yen	901	878	915	1,147	1,108	23.0%
Number of YAHUOKU! store IDs (quarter-end) (3)	IDs	17,955	18,689	19,116	19,533	19,951	11.1%
Number of Yahoo! Shopping store IDs (quarter-end) (3) *	IDs	78,307	134,448	193,168	243,896	282,537	3.6 times

(1) Definition of transaction value has been changed as of FY2014-2Q. Includes transaction value of "YAHUOKU!" and "tradecarview" (<http://www.tradecarview.com/>). Transaction value of "ClooShe" (application for smartphones) is included from April 2014. Same for "BOOKOFF Online" (<http://www.bookoffonline.co.jp/>) from May 2014. Prior figures have been restated retroactively.

(2) Definition of transaction value has been changed as of FY2014-2Q. Includes transaction value of "Yahoo! Shopping", "Yahoo! Travel", Pay digital contents, "LOHACO", "Yahoo! Restaurant Reservation" and others. Transaction value of settlement-related not included. Prior figures have been restated retroactively.

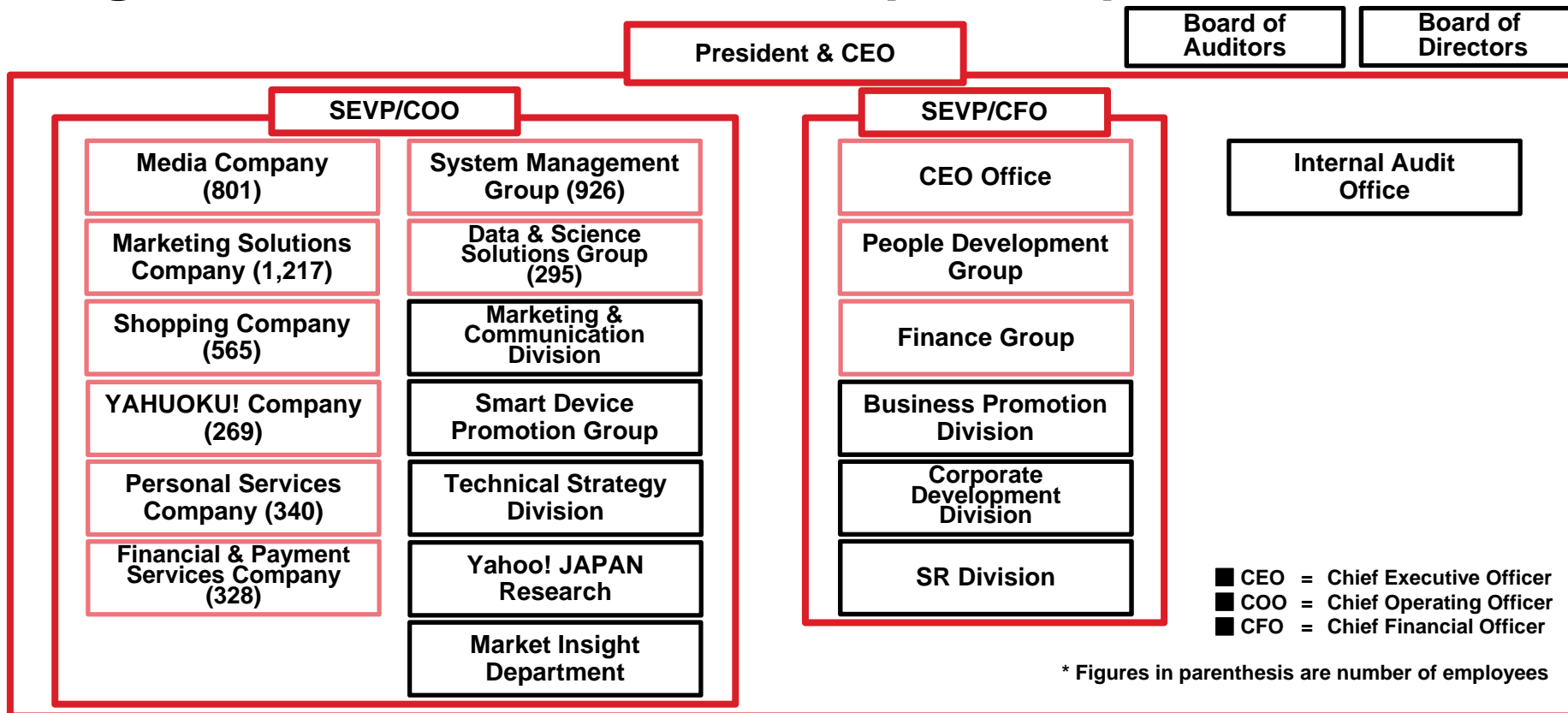
(3) Numbers of YAHUOKU! and Yahoo! Shopping stores are based on accounts issued. They include the number of accounts still preparing to launch store sites.

* As a result of adopting a more accurate calculation method, prior figures of YAHUOKU!, Shopping-related transaction value, Total domestic e-commerce transaction value, Total domestic e-commerce transaction value via smartphones and Number of quarter-end Yahoo! Shopping stores have been restated retroactively.

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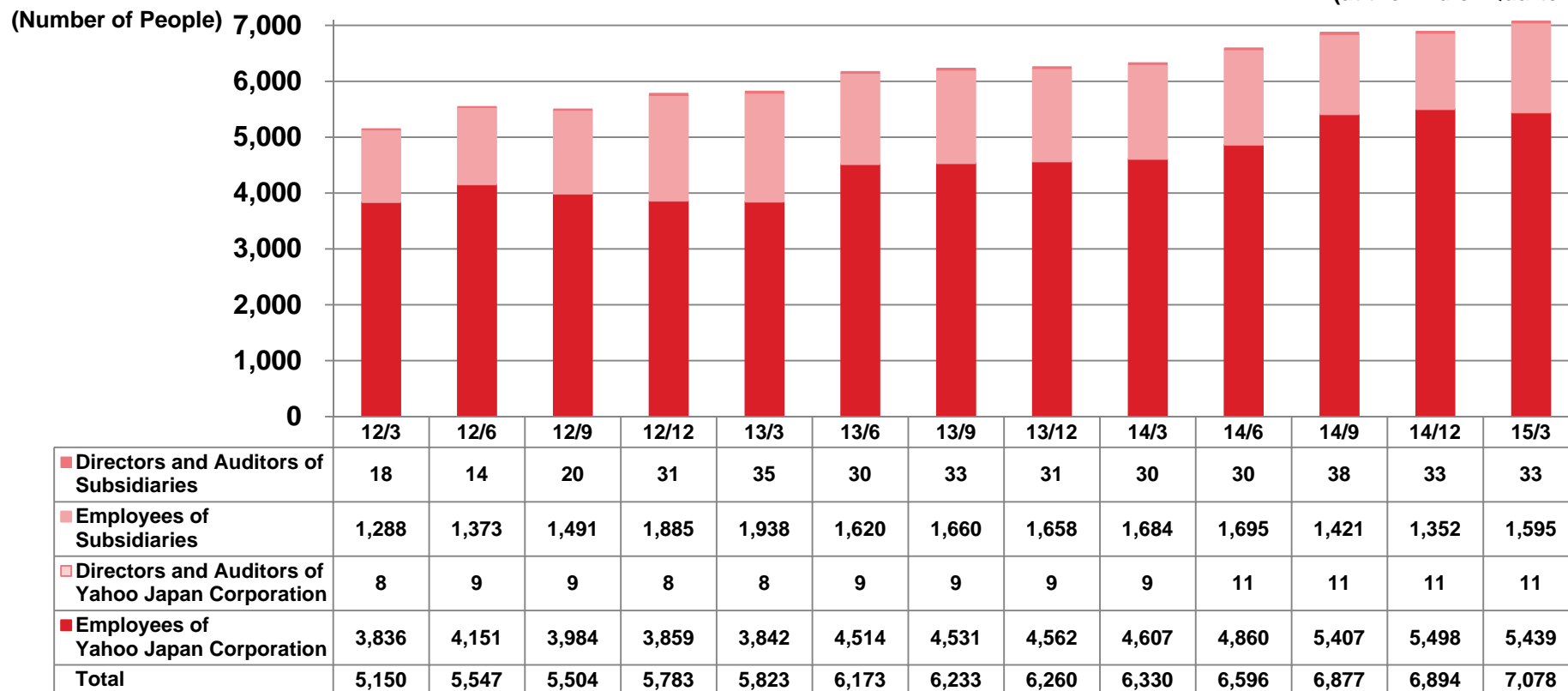
Organization Chart of Yahoo Japan Corporation

As of April 1, 2015



Number of Directors and Employees

(at the End of Quarter)



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



Consolidated Subsidiaries and Associates

(as of March 31, 2015)

- Major consolidated subsidiaries at the end of FY2014-4Q

- ◆ Carview Corporation
- ◆ GYAO CORPORATION
- ◆ Indival, Inc.
- ◆ Synergy Marketing, Inc.
- ◆ YJ Capital Inc.
- ◆ YJFX, Inc.
- ◆ Y's Sports Inc.
- ◆ FirstServer, Inc.
- ◆ IDC Frontier Inc.
- ◆ Netrust, Ltd
- ◆ ValueCommerce Co., Ltd.
- ◆ YJ Card Corporation **NEW!**
- ◆ Y's Insurance Inc.

- Major associates at the end of FY2014-4Q

- ◆ ASKUL Corporation
- ◆ GameBank Corp. **NEW!**
- ◆ BOOKOFF CORPORATION LIMITED
- ◆ The Japan Net Bank, Limited



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