

April 25, 2019

To whom it may concern

Yahoo Japan Corporation
Kentaro Kawabe, President & CEO
Stock code: 4689

Notice of Differences between
Consolidated Business Results for FY2018 and FY2017

Yahoo Japan Corporation hereby announces the differences between the consolidated business results for the fiscal year ended March 31, 2019 (April 1, 2018 – March 31, 2019; hereinafter FY2018) and those for the fiscal year ended March 31, 2017 (April 1, 2017 – March 31, 2018; hereinafter FY2017).

1. Differences between consolidated business results for FY2018 and FY2017

(Million yen)

	Revenue	Operating income	Income before income taxes	Net income	Net income attributable to owners of the parent
FY2018 (A)	954,714	140,528	123,370	77,828	78,677
FY2017 (B)	897,185	185,810	193,177	134,412	131,153
Year-on-Year Change (Amount) (A–B)	57,528	-45,281	-69,806	-56,584	-52,476
Year-on-Year Change (%)	6.4%	-24.4%	-36.1%	-42.1%	-40.0%

2. Reasons for the differences

The revenue for the consolidated fiscal year ended March 31, 2019 amounted to ¥954.7 billion, an increase of ¥57.5 billion (+6.4%) compared with the same period last year. This was due to the revenue increase mainly in advertising revenue and the ASKUL Group as well as the consolidation of The Japan Net Bank, Limited in the fourth quarter of the previous fiscal year despite the effect due to the changes in the accounting policies .

Despite the increase in revenue and gain on sales of subsidiary's stocks in the first quarter

of this fiscal year, operating income decreased year on year. The decrease was due to increase in sales promotion costs, depreciation and amortization and personnel expenses; recording of impairment losses for our subsidiaries (¥3.6 billion for ASKUL Corporation and ¥2.3 billion for Synergy Marketing, Inc.); and recording of insurance proceeds for ASKUL Corporation in the first quarter last year. Income before income taxes and net income attributable to owners of the parent decreased year on year due to the abovementioned factors as well as recording of loss on equity method investments of ¥18.3 billion because of the active investments towards PayPay, a service we have begun in this fiscal year.

Disclaimer

This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.